OFFICIAL REPORT

OF THE

DEBATES

OF THE

HOUSE OF COMMONS

OF THE

DOMINION OF CANADA

THIRD SESSION—TWELFTH PARLIAMENT

4-5 GEORGE V., 1914

VOL. CXV.

COMPRISING THE PERIOD FROM THE TWENTY-FIFTH DAY OF MARCH TO THE TWENTY-EIGHT DAY OF APRIL, INCLUSIVE.

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1914

CANADA

House of Commons Debates

OFFICIAL REPORT—REVISED EDITION

HOUSE OF COMMONS.

Speaker: HON. THOMAS SIMPSON SPROULE.

Wednesday, March 25, 1914.

The House met at Three o'clock, the Speaker in the Chair.

POLLUTION OF NAVIGABLE WATERS.

Mr. BRADBURY presented the first report of the Select Committee on the prevention of the pollution of navigable waters.

On motion of Mr. Bradbury, it was agreed, in accordance with recommendations contained in the said report, that the said committee have leave to have its proceedings and any evidence taken by it printed from day to day; that the quorum of the committee be reduced to six members; and that the committee have leave to sit while the House is in session.

Mr. BRADBURY moved:

That the reports and proceedings of and the evidence taken by the Select Special Committee appointed last session to consider Bills No. 2 and No. 116, Letter A of the Senate, respecting the pollution of navigable waters and laid upon the table on Monday, June 2, 1913, be referred to the Select Committee appointed to inquire into the prevention of the pollution of navigable waters.

Motion agreed to.

Mr. BRADBURY moved:

That a message be sent to the Senate requesting Their Honours to give leave to the Hon. Napoleon Antoine Belcourt, one of their members, to attend and give evidence before the Select Committee appointed to inquire into the prevention of the pollution of navigable waters.

Motion agreed to.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

INTERCOLONIAL RAILWAY—STE. LOUISE IMPROVEMENTS.

Mr. ERNEST LAPOINTE:

1. Has the management of the Intercolonial railway or the Railway Department been asked to make certain urgent works of fencing and draining along the line of the Intercolonial railway at Ste. Louise, county of L'Islet?
2. Were those petitions investigated?
3. Is the Government aware that owing to the non-execution of such works a great deal of damage is said to have been done and is still being caused?
4. Is it the intention of the Government to have those works completed next summer?

Mr. REID:

1. The management of the railway has been asked to perform certain work in connection with ditches and repairs of fences along the line of the railway at Ste. Louise, P.Q.
2. The matter of this request was investigated.
3. No.
4. It is the intention of the Government to have any necessary work performed during the coming summer.

BEAR RIVER WHARF.

Mr. KYTE:

1. Did the Department of Public Works, since the 10th of October, 1911, purchase property from H. H. Marshall, M.P.P., for Digby county, N.S., for the site of a wharf at Bear River, N.S.?
2. What was the amount paid for said site?
3. Has the wharf been built and what did it cost?
4. When was said wharf completed?
5. How many tons of freight were landed on and shipped from said wharf since it was built, and how much wharfage was collected?

Mr. CODERRE:

1. Yes.
2. $1,800.
3. $7,542.05 including the purchase price.
4. October, 1913.
5. No returns have yet been made to the Department of Marine and Fisheries.

NIAGARA FALLS MAIL DELIVERY.

Mr. NESBITT:

1. When was a mail or letter delivery establishd at Niagara Falls, Ontario?
2. What was the population at the time?
3. What was the revenue at the time?
4. What was the population at the time the last Dominion census was taken?

Mr. PELLETIER:

1. On the 30th May, 1911, under the late Government, when the population was less than 12,000, and the revenue a little less than $20,000. It is presumed that this was done for political reasons.
2. 10,036—municipal census, 1910.
3. $19,684.50.
4. 9,248.

THREE RIVERS MAIL DELIVERY.

Mr. NESBITT:

1. When was a mail or letter delivery establishd at Three Rivers, Quebec?
2. What was the population at the time?
3. What was the revenue at the time?
4. What was the population at the time the last Dominion census was taken?

Mr. PELLETIER:

1. The letter delivery in Three Rivers was established on the 22nd August, 1907, under the late Government, when the revenue of the office was under $20,000. It is presumed that this was done for political reasons.
2. 12,200.
3. $11,096.
4. 13,691.

FREDERICTON MAIL DELIVERY.

Mr. NESBITT:

1. When was a mail or letter delivery established at Fredericton, N.B.?
2. What was the population at the time?
3. What was the revenue at the time?
4. What was the population at the time the last Dominion census was taken?

Mr. PELLETIER:

1. 7th May, 1913. This was done because the rule as to population does not apply when the service is, as in the case of Fredericton, for the capital of a province.
2. 7,250—census, 1901.
3. $21,072.
4. 7,208.

ST. HYACINTHE MAIL DELIVERY.

Mr. NESBITT:

1. When was a mail or letter delivery established at St. Hyacinthe, Quebec?
2. What was the population at the time?
3. What was the revenue at the time?
4. What was the population at the time the last Dominion census was taken?

[Mr. Coderre.]

Mr. PELLETIER:

1. 29th August, 1907, under the late Government, presumably for political reasons.
2. The population of St. Hyacinthe was 9,500, and the villages of St. Joseph de Hyacinthe and La Providence, both of which are in the area to which the letter carrier service was given, had a population of 1,500 and 1,000 respectively, making the total 12,000.
3. The revenue of St. Hyacinthe was $10,799.91 and that of St. Joseph de Hyacinthe $346.80, making a total of $11,146.71. There was no post office in the village of La Providence; the residents used the St. Hyacinthe post office.
4. The population of St. Hyacinthe was 9,797 and that of St. Joseph de Hyacinthe and La Providence 514 and 894 respectively, making a total of 11,205.

OWEN SOUND MAIL SERVICE.

Mr. NESBITT:

1. When was a mail or letter delivery established at Owen Sound, Ontario?
2. What was the population at the time?
3. What was the revenue at the time?
4. What was the population at the time the last Dominion census was taken?

Mr. PELLETIER:

No. 1. June 1, 1910.
No. 2. 12,091—Municipal census, 1909.
No. 3. $23,633.72.
No. 4. 12,558.

SAULT STE. MARIE MAIL DELIVERY.

Mr. NESBITT:

1. When was a mail or letter delivery established at Sault Ste. Marie, Ontario?
2. What was the population at the time?
3. What was the revenue at the time?
4. What was the population at the time the last Dominion census was taken?

Mr. PELLETIER:

1. February 8, 1912.
3. $22,751.

2 and 4. At that time the census of 1911 showed that the population was 10,984, but the Postmaster General received very reliable information that the population was over 12,000, and acted on that information.

CHARLOTTETOWN MAIL DELIVERY.

Mr. NESBITT:

1. When was a mail or letter delivery established at Charlottetown, Prince Edward Island?
2. What was the population at the time?
3. What was the revenue at the time?
4. What was the population at the time the last Dominion census was taken?

Mr. PELLETIER:

1. November 26, 1907.

2. 12,080—Census 1901.
3. $20,648.07.
4. 11,203.

TRADE WITH THE WEST INDIES.

Mr. CARVELL:

1. What was the total trade between Canada and the British West India islands, included in the West India Trade Convention from July 1, 1912, to December 31, 1912, as to exports and imports respectively?

2. What was the total trade between Canada and the British West India islands, included in the West India Trade Convention from July 1, 1913, to December 31, 1913, as to exports and imports respectively?

Mr. REID:

Statement showing the imports and exports of Canada with the undermentioned countries during the six months ended December, 1912 and 1913.

—		Imports for Consumption.	Exports.		
			Domestic.	Foreign	Total.
		$	$	$	$
British Honduras	1912	126,931	6,940	90	7,030
"	1913	19,071	5,460	60	5,520
Bermuda	1912	4,871	207,976	5,574	213,550
"	1913	3,144	210,059	5,826	215,885
British Guiana	1912	2,045,606	334,799	1,981	336,780
"	1913	1,419,064	316,330	970	317,300
British West Indies	1912	3,172,923	1,951,123	17,853	1,968,976
" "	1913	2,812,953	2,257,845	5,976	2,263,821

The Trade figures for the British West Indies are compiled together, the various islands not being shown separately.

LENNOXVILLE EXPERIMENTAL FARM.

Mr. TOBIN:

1. Before the purchase of the experimental farm in the Eastern Townships at Lennoxville, Quebec, were any farms examined on behalf of the Government by Mr. Duncan Anderson, in the electoral division of Richmond and Wolfe?

2. If so, where are the said farms situated, and what are the names of the proprietors of the said farms?

3. What was the price demanded by the proprietors of each of the said farms?

4. If any price was offered by Mr. Anderson on behalf of the Government, what was the amount of the said offer in each case?

Mr. BURRELL:

1. Yes. Several farms were examined in the county of Richmond.

2. Close to the town of Richmond. Owned by Mr. Lemoine and Mr. Fortier. Also the farms owned by Messrs. Beattie Bros., and Mr. Berwick. They are situated about four miles north of the city of Sherbrooke, in the county of Richmond.

3. The price asked by Mr. Berwick was $10,000. Messrs. Beattie Bros. offered their farm at the same price, $10,000. No value was placed on the farms examined near the town of Richmond.

4. No offer was made by Mr. Duncan Anderson on behalf of the Government for any of these farms.

RIMOUSKI CUSTOMS OFFICERS.

*Mr. GAUVREAU:

1. What is the salary of Mr. Omer Beaulieu, customs officer at Rimouski, and of his assistant, Mr. L. O. Lavallee?

2. What was the salary of Mr. Martin Lepage, customs officer and of his assistant respectively, prior to 1911?

Mr. REID:

1. The salary of Mr. Omer Beaulieu, collector of customs at Rimouski, is $900; that of his assistant, Mr. L. O. Lavallee, preventive officer, is $400.

2. The salary of Mr. Martin Lapage, collector of customs at Rimouski, was $800 prior to 1911; but on April 1, 1911, it was increased to $900. The salary of his assistant, Mr. J. S. Gauvreau, acting preventive officer, was $300 prior to 1911; but on April 1, 1911, it was increased to $400.

RIMOUSKI MEDICAL SERVICE.

Mr. GAUVREAU:

1. How many doctors have been appointed to the transatlantic steamers' service at Rimouski?

2. What are the names and salary of each?

3. How many of them were there prior to 1911?

4. What were their names and salaries?

Mr. BURRELL:

1. There are at present three doctors, one coming up to Quebec for each steamship line.

2. Dr. L. F. Lepage, Dr. Alf. Bouillon, and Dr. J. A. Lord, at the rate of $1,200 each per annum.

3 and 4. Dr. Ernest Belisle made inspections himself at Rimouski prior to 1911 without coming up to Quebec, at $15 per inspection.

INTERCOLONIAL RAILWAY ICE SUPPLY.

*Mr. GAUVREAU:

1. What are the names of the tenderers for the contract for supplying the ice to the Intercolonial at Ste. Flavie ?
2. What was the amount of each tender ?
3. To whom was the contract awarded and on what conditions ?

Mr. REID:

1 and 2. Tenders per 2,000 pounds:

J. A. Boulay, Sayabec, $1.05, delivered and packed in the icehouse, freight and all other charges paid.

J. H. Rioux, St. Fabien, 60 cents, f.o.b. cars, St. Fabien, railway to carry ice free of charge from St. Fabien to Ste. Flavie.

Ernest Dastous, St. Fabien, 64 cents for ice; $1.40 for freight; $2.04, packed in icehouse.

Sirice Rioux, St. Fabien, 59½ cents, f.o.b. cars, St. Fabien, cars to be furnished free by the railway, and the railway to carry ice free of charge from St. Fabien to Ste. Flavie.

J. A. Pelletier, Rivière du Loup, 69½ cents, f.o.b. cars, Rivière du Loup.

3. The contract was awarded to Mr. J. A. Boulay at $1.05, delivered and packed in the icehouse at Ste. Flavie, all charges paid, his tender being the lowest. The freight on a minimum car of 30,000 pounds from St. Fabien to Ste. Flavie is 6 cents per 100 pounds or $1.20 per ton, which, added to Sirice Rioux's tender price of 59½ cents, made his tender $1.79½ at Ste. Flavie.

PLAINFIELD POST OFFICE.

Mr. WILLIAM CHISHOLM:

Does the Post Office Department intend to close the Plainfield post office, Pictou county, as a result of the establishment of rural mail delivery routes, as has been done with other offices in the vicinity?

Mr. PELLETIER: Yes, if it is found after the establishment of the rural mail delivery routes that the patrons of the Plainfield post office are within the scope of rural delivery.

INTERCOLONIAL RAILWAY MINIMUM FREIGHT RATE.

*Mr. SINCLAIR:

What is the minimum local freight rate on small parcels on the Intercolonial railway west of Chaudière ?

[Mr. Burrell.]

Mr. REID: 35 cents.

EMPLOYMENT OF MR. PHILEAS DUBE.

*Mr. LEMIEUX:

1. Is Mr. Phileas Dubé employed on the construction of the workshops of the Transcontinental railway at St. Malo, Quebec ?
2. If so, what is the nature of his work and what is his salary?

Mr. REID:

1. Mr. Phileas Dubé is not employed by the Transcontinental Railway Commission nor by the Government on the construction of the work shops of the Transcontinental railway at St. Malo, Quebec.

2. Answered by No. 1.

BALANCE OF TRADE ADJUSTMENT.

Mr. BURNHAM:

If Canada during 1913 imported six hundred and seventy-five million dollars worth, and during the same period exported three hundred and ninety million dollars worth, in what manner was the excess of imports provided for by Canada ?

Mr. WHITE: The excess of imports over exports would represent principally capital borrowed abroad and money and effects brought in by immigrants.

UNDISCUSSED AND UNOPPOSED MOTION.

Mr. Truax.—Returns showing: How many private cars are owned or leased by the Government, and their names or numbers; the total cost of said cars; the cost of operating same during the calendar year 1913; what, if anything, was paid for haulage or shunting of said cars during the said calendar year; where the said cars are located respectively, how many at Moncton, how many at Ottawa and how many elsewhere; what departments of Government or the ministers of same, if any, have cars for their particular use, which are sometimes placed at the disposal of other ministers; whether any of the railways in Canada or in the United States make any charge for transportation or hauling of said cars; and whether the companies in Canada by courtesy deadhead said cars; and, if so, at what rate.

QUESTION OF PRIVILEGE.

On the Orders of the Day being called:

Mr. C. A. WILSON: Mr. Speaker, I wish to draw your attention to the fact that on Friday last I put in the hands of Mr. Laplante and Dr. Thos. B. Flint the following question:

Mr. C. A. Wilson—On Thursday next—Inquiry of Ministry—1. Has the Government, or any member thereof, received the communication referred to in the following announcement, published in the Sentinel of March 19, 1914?

Mr. SPEAKER: I think the hon. member is out of order. I looked over the question,

and, in my judgment, it was not a proper one to go on the Order Paper, as it was founded on a newspaper clipping relating to subjects which are not proper for the consideration of this House. Rule 37, which governs the asking of questions by members, reads as follows:

Questions may be put to ministers of the Crown relating to public affairs—

This, in my judgment, does not relate 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 member may be concerned.

The question that was submitted to me did not, in my judgment, relate to public affairs. Part of it related to bilingual schools, which are under the control of the provincial Government. Another part of the question asked whether the Government had received any protest regarding the reading of the prayers in French by the Speaker of the House every second day. That appeared to me to be too frivolous to put on the Order Paper.

Mr. C. A. WILSON: Mr. Speaker, may I be allowed to state my case—yes or no?

Mr. SPEAKER: The hon. member has a right to do it, if he brings it up as a question of privilege.

Mr. WILSON: In order that there shall be no misunderstanding, I rise to a question of privilege; and the first privilege I claim is to state my case in both English and French. I have read of Richelieu saying that the execution should sometimes take place before the trial, but this is not such a case. My case is this: on Friday last, I put in the hands of Dr. T. B. Flint—

Mr. SPEAKER: May I ask the hon. member to state his question of privilege? I shall then be in a better position to judge whether it is or is not a question of privilege.

Mr. WILSON: I am rising to a question of privilege, and I want to state my case. I ask you frankly, Mr. Speaker, whether I am to be allowed to state my case—yes or no? Je vous demande, monsieur l'Orateur, si j'ai le droit d'exposer mon cas. I wish to state my case.

Mr. PELLETIER: The hon. member asked, in French, to be allowed to state his case, and proceeded to make comments. Surely my hon. friend understands—he speaks English very well—that the Speaker asked him to state his question of privilege and not to make comments. I think a spirit of fairness should prevail here.

Mr. C. A. WILSON: I made no comments at all. I am going to speak in this House in both languages, and I am going to state my case in English first, then in French, so that every hon. member will understand me. On Friday last I put in the hands of Mr. Laplante and Dr. Flint the following question:

Mr. C. A. Wilson—On Thursday next—Inquiry of Ministry—1. Has the Government, or any member thereof, received the communication referred to in the following announcement, published in the Sentinel of March 19, 1914.

'Collingwood Lodges protest againt French in Schools and on Post Cards and Government Stationery—Express dissatisfaction with local Representatives.

'The brethren of L.O.L. Victoria, No. 934, and Golden Lion No. 1990, Collingwood, at their regular meetings held on the 9th and 11th of March, 1914, adopted the following resolution, and instructed their secretaries to forward same to the Orange Sentinel, to the Hon. R. L. Borden, Ottawa, and to acting Premier, the Hon. J. J. Foy, Toronto, also to their representatives, Col. J. A. Currie, Ottawa, and Hon. Jas. Duff, Toronto:

'Moved by Bro. Wm. Elliot, P.M. L.O.L. 1990, seconded by Bro. Peter McMillan, W.M. L.O.L. 943, and resolved:

'That we, the members and officers of Victoria Lodge No. 943, and Golden Lion No. 1990, assembled at our regular meetings, take this opportunity of condemning in the strongest terms the action of the federal Government in permitting the issuance of the bilingual post cards, and the use of the French language upon official stationery of the departments, and consider this departure an insult to the other nationalities, such as Germans, Highland Scotch and others, inasmuch as the English is the language of this country.

'We also demand the immediate abolition of bilingual schools, as English must be the only language taught in our public schools, if we desire to grow up as a united body of citizens. And we do not uphold the attitude of our representatives in both Parliaments, as so far we have not noticed that they have taken any part, or raised their voices in opposing any of those encroachments, which is bound to be detrimental to the unity of this country.'

2. If so, what was the answer, or what were the answers given?

I also put in the hands of Dr. Flint question No. 3, reading:

3. Has the Government, or any member thereof, received any protest on account of the fact that His Honour Mr. Speaker, recites prayers in the French language in Parliament every second day of sitting?

Dr. Flint corrected this question as follows:

Has the Government received any protest on account of the fact that the Speaker of the House of Commons recites prayers in the

French language in Parliament every second day of sitting?

Of course, with my French education, I put the words 'His Honour' before 'Mr. Speaker'. There was another question, reading as follows:

4. If so, from whom and upon what grounds?

Questions 3 and 4 were returned to me with the following note:

Dear Mr. Wilson:

His Honour the Speaker thought the above part of your question somewhat irregular as being put ironically and as not arising out of the main question. So I inserted the principal question, with this latter part eliminated for the present.

T. B. Flint,
Clerk.

What is the reason that it is not on the Order Paper? The question may be irregular or it may be ironical—I have nothing to say about that for the moment; but it seems to me that, according to all precedents, your judgment, Mr. Speaker, should be rendered in this House anyway. I ask that this question No. 3 be put on the Orders of the Day. If you say that the question is irrelevant or ironical, I want this House to pass judgment upon your decision. That is all I have to say at the moment, and, as a member of this House, I ask you now, that this question be put upon the Orders of the Day and that the House pass judgment upon it whether it is ironical or not.

Mr. SPEAKER: The only question involved is the question of privilege. Is it the privilege of a member of this House to ask questions? I have only to say in reply to that—

Mr. WILSON: Would Mr. Speaker allow me just one question? Is it the privilege of a member to go to the Clerk and put a question in his hands in order that that question may be placed upon the Order Paper? It is on that question that I want your ruling, and not as to the propriety or impropriety of the question itself. It seems to me that the House must decide this point. Was it the right of Dr. Flint, for instance, not to put this question on the Orders of the Day? Let us be frank. If the question has not been put on the Orders of the Day, has it been submitted to you; or do I assume too much, Mr. Speaker? I do not think I do. Until I get further information I assume that the question has been withheld from the Order Paper upon your orders. I want to know whether it is the privilege of a member to put a question on the Orders of the Day or whether the matter is controlled outside of the House of Commons.

[Mr. C. A. Wilson.]

Mr. SPEAKER: The question involved is one of privilege. Is it the privilege of a member to put a question? I quote again rule No. 37, which is one of the clearest rules in the book and the rule that governs as to the subjects upon which questions may be asked:

Questions may be put to any ministers of the Crown relating to public affairs.

As it is the right and duty of the Speaker for the time being to see that no improper questions are put on the Orders of the Day, this question was submitted, of course, to the Speaker's judgment, and, in my judgment, it did not come within the rules. Or questions may be put:

—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.

The question did not seem to me to come within these rules. I have in my hands Mr. Speaker Peel's Decisions in the House of Commons in England, and in this book I find the following statement:

Mr. Speaker discourages the practice of asking questions based on statements in the public press. It is desirable that members should undertake the responsibility of the questions thus put. A member who puts a question is responsible for the facts alleged therein.

If a question contains a statement, the member who makes it should vouch for its being a fact.

With reference to the duty of the Clerk of the House, I have not the authority under my hand at the moment, but the clerk has to consult with the Speaker in reference to any question that is handed in to him and that he thinks is irregular. In my judgment this question was irregular, and I notified the clerk to consult with the hon. member (Mr. Wilson) for the reasons which I have already given.

Mr. C. A. WILSON: If I understand your statement, Mr. Speaker, the report from Dr. Flint to myself was a correct one, and therefore this question, according to your judgment should not have been put upon the Order Paper.

Mr. SPEAKER: I have not looked over the report of the clerk; consequently I could not express an opinion.

Mr. WILSON: There it is, Mr. Speaker.

Mr. SPEAKER: I have just now had a copy of it handed to me by the clerk. He submitted the question to me before the opening of this sitting of the House, and I

instructed him to have it put on the Order Paper.

Mr. WILSON: Do I understand you to say, Mr. Speaker, that you gave Dr. Flint instructions to put that question on the Orders of the Day?

Mr. SPEAKER: The first part of the question.

Mr. WILSON: Why the first part?

Mr. SPEAKER: I instructed the clerk that, in my judgment, the first part of the question might be put upon the paper, but I thought the last part of the question too frivolous to engage the attention of the House.

Mr. WILSON: I beg leave of the House to ask that this question, No. 3, be put on the Orders of the Day.

Mr. SPEAKER: Orders of the Day.

Mr. WILSON: No, Mr. Speaker.

Mr. SPEAKER: Order, order.

Mr. WILSON: But, Mr. Speaker, I think we should understand each other now. I understand that Mr. Speaker said that in so far as question No. 3 was concerned he would leave it to the judgment of the House. Is that correct or not?

Mr. SPEAKER: Not exactly.

Mr. WILSON: If I understood you, Mr. Speaker, you said that you would leave the question to the judgment of the House.

Mr. SPEAKER: Order; the hon. gentleman is not exactly correct in that respect. I did not say that I would leave it to the judgment of the House, but I said that if my judgment was called in question I would certainly submit it to the judgment of the House to say whether the question was out of order or not.

Mr. WILSON: Do you rule, Mr. Speaker, that question No. 3 is out of order, and should not be put on the Orders of the Day?

Mr. SPEAKER: That is my judgment.

Mr. WILSON: With all due respect to you, Mr. Speaker, I appeal from your decision.

Mr. BORDEN: I do not think that there is any appeal from such a decision as the Speaker has announced, and I think that my hon. friend (Mr. Wilson) is making a great deal of fuss about a very frivolous matter. In order that his mind may be set at rest, with respect to the question which Mr. Speaker thinks is not proper to be put on the Order Paper, I may tell him now that the Government have not received any such protest as he has alluded to.

Mr. WILSON: Mr. Speaker,—

Some hon. MEMBERS: Order, order.

Mr. WILSON: If there is no discussion on the appeal, the Prime Minister should not have got up.

Mr. PUGSLEY: What is the point of order, Mr. Speaker?

Mr. SPEAKER: The point of order is that the decision of the Chair has been given, and if that decision is called in question, there can only be an appeal to the House.

Mr. WILSON: Then why has the Prime Minister spoken?

Mr. BORDEN: Because the Prime Minister has a right to speak on any point of order.

Mr. WILSON: Have I the right to answer?

Some hon. MEMBERS: Order, order.

Mr. WILSON: Mr. Speaker,—

Mr. SPEAKER: Order. The hon. member has appealed from the decision of the Chair, and there must be no debate while the Chair is preparing the appeal to the House.

Mr. PUGSLEY: Then the Prime Minister was out of order?

Mr. WILSON: Has the Prime Minister the right to speak?

Mr. SPEAKER: The question is as follows:

Mr. Wilson, the member for Laval, had submitted a question: 'Has the Government, or a member thereof, received any protest on account of the fact that His Honour Mr. Speaker reads the prayers in the French language in Parliament every second day of the week?' to which the Speaker ruled that it was not a proper question to be put on the Order Paper. From that ruling the member for Laval (Mr. A. C. Wilson) has appealed to the House.

The House divided on the question: Shall the ruling of the Speaker be confirmed?

YEAS:

Messieurs

Aikins,	Macdonell,
Alguire,	McCurdy,
Ames,	McKay,
Armstrong (Lambton),	McLean
Armstrong (York, O.),	(Queens, P.E.I.),
Baker,	McLeod,
Ball,	Marshall,

Barker,
Barnard,
Bellemare,
Bennett (Calgary),
Bennett (Simcoe),
Best,
Blain,
Blondin,
Borden,
Bowman,
Boyce,
Brabazon,
Bradbury,
Broder,
Burnham,
Burrell,
Carrick,
Clark (Bruce),
Clarke (Wellington),
Clements,
Coderre,
Cromwell,
Crothers,
Davidson,
Doherty,
Edwards,
Elliot,
Fisher,
Foster (Toronto, N.),
Garland,
Green,
Hanna,
Hartt,
Hazen,
Hepburn,
Hughes (Victoria, O),
Kemp,
Lalor,
Lewis,
Meighen,
Merner,
Middlebro,
Morphy,
Morris,
Morrison,
Munson,
Nantel,
Nickle,
Paquet,
Paul,
Perley,
Reid (Grenville),
Rhodes,
Robidoux,
Roche,
Rogers,
Schaffner,
Sexsmith,
Sharpe (Ontario),
Shepherd,
Smith,
Smyth,
Steele,
Stevens,
Stewart (Hamilton),
Stewart (Lunenburg),
Sutherland,
Taylor,
Thornton,
Tremain,
Webster,
Weichel,
White (Renfrew),
Wilcox,
Wilson (Wentworth), and
Wright—89.

NAYS:

Messieurs

Boivin,
Boulay,
Bourassa,
Boyer,
Cardin,
Carvell,
Champagne,
Chisholm (Antigonish),
Chisholm (Inverness),
Clark (Red Deer),
Cruise,
Delisle,
Demers,
Douglas,
Fortier,
Gauvreau,
German,
Guilbault,
Hughes (Kings P.E.I.),
Kay,
Knowles,
Kyte,
Lachance,
Lamarche,
Lanctot,
Lapointe (Kamouraska),
Law,
Loggie,
Macdonald,
Maclean (Halifax),
MacNutt,
McCoig,
McCraney,
McKenzie,
McMillan,
Marcil (Bonaventure),
Marcile (Bagot),
Michaud,
Molloy,
Murphy,
Nesbitt,
Neely,
Oliver,
Pacaud,
Proulx,
Pugsley,
Robb,
Sinclair,
Thomson (Qu'Appelle),
Turgeon,
Turriff,
Verville,
Warnock,
White (Victoria, Alta.), and
Wilson (Laval)—55.

PAIRS:

Ministerial.	Opposition.
Northrup,	Lovell,
Arthurs,	Truax,
Beattie,	Lafortune,
[Mr. Speaker.]	
Chabot,	Beland,
Cochrane,	Graham,
Cockshutt,	Charlton,
Foster (Kings),	Carroll,
Fowler,	McLean (Sunbury),
Gauthier,	Ethier,
Lancaster,	Guthrie,
Pelletier,	Lemieux,
Sharpe (Lisgar),	Buchanan,
Fripp,	Ross,
Stanfield,	Pardee,
Thoburn,	McCrea,
White (Leeds),	Emmerson,
Clare,	Cash,
Osler (Sir E.),	Laurier (Sir Wilfrid),
Rainville,	Seguin,
Henderson,	Reid (Restigouche),
Jameson,	Martin (Regina),
Walker,	Power,
Nicholson,	Richards,
Glass,	Gordon,
Bradbury,	Devlin,
Thompson (Yukon),	Papineau,
Wallace,	Clarke (Essex),

Mr. EMMERSON: I was paired with the hon. Minister of Finance. Had I voted I would have voted against sustaining the ruling of the Chair.

Mr. GUTHRIE: I was paired with the hon. member for Lincoln. Had I voted I would have voted against sustaining the ruling of the Chair.

Mr. BEATTIE: I was paired with the hon. member for Montcalm. Had I voted I would have voted to sustain the ruling of the Chair.

Mr. STANFIELD: I was paired with the hon. member for West Lambton. Had I voted I would have voted to sustain the ruling of the Chair.

Mr. TRUAX: I was paired with the hon. member for Parry Sound. Had I voted I would have voted against sustaining the ruling of the Chair.

Mr. RAINVILLE: I was paired with the hon. member for L'Assomption. Had I voted I would have voted to sustain the ruling of the Chair.

Mr. COCKSHUTT: I was paired with the hon. member for Norfolk. Had I voted I would have voted to sustain the ruling of the Chair.

Mr. BELAND: I was paired with the junior member for Ottawa. Had I voted I would have voted against sustaining the ruling of the Chair.

Mr. McCREA: I was paired with the hon. member for North Lanark. Had I voted I would have voted against sustaining the ruling of the Chair.

Mr. ROSS: I was paired with the senior member for Ottawa. Had I voted I would have voted against sustaining the ruling of the Chair.

Mr. GRAHAM: I was paired with the hon. Minister of Railways. Had I voted I would have voted against sustaining the ruling of the Chair.

The ruling of the Chair confirmed.

Mr. C. A. WILSON: Has the hon. the Postmaster General voted?

Mr. SPEAKER: Orders of the Day.

Mr. PUGSLEY: Mr. Speaker, an hon. member has the right to call your attention to the fact that another hon. member has not voted. If an hon. member is in the Chamber, he is bound to vote unless he is paired.

Mr. SPEAKER: As I understand it, the hon. member did not call my attention to the fact that the Postmaster General had not voted, but he asked the question directly to the Postmaster General, and I took it to be in the discretion of the Postmaster General whether he should answer the question or not.

Mr. C. A. WILSON: I call your attention, Mr. Speaker, to the fact that the Postmaster General has not voted.

Mr. PELLETIER: My hon. friend's mind will be set at rest when I state that I never vote in this House on any question when the hon. member for Rouville (Mr. Lemieux) is not in his seat, but I do not think it is necessary to say so every time.

THE NATIONAL TRANSCONTINENTAL RAILWAY.

Consideration of the proposed motion of Hon. W. T. White (Minister of Finance) for Committee of Supply, resumed from March 24.

Hon. GEORGE P. GRAHAM: When the House adjourned last night, I had been dealing with several important items in the report of the National Transcontinental Railway Investigating Commission. I think I dealt with all the large items included in the $40,000,000. At the time of adjournment I was discussing that part of the report where Mr. Gutelius suggested that the money spent on the line east of Quebec should not have been so expended, but that a portion of it should have been expended in reducing the grades and curves on the Intercolonial railway, particularly, because that railway lends itself to the introduction of gradients of 0·4 per cent against eastbound traffic and 0·6 per cent against westbound traffic.

4 p.m.

Before I leave the question of grades, I want to ask the Government and the members of this House to look at the question of velocity grades from another angle. I stated yesterday what is an evident fact that there is a difference of opinion as to the practicability of velocity grades, particularly in a country like ours. The Maintenance of Way Association of America, composed of the chief engineers of the great railways and members of the engineering staffs, have intimated that the introduction of velocity grades in the construction of a new line ought to be practiced only under very extraordinary circumstances. There are authorities both pro and con, but I think that the most eminent authorities are against velocity grades in the construction of new lines and in a country where we have snow and frost to the extent that we have in this country.

For a moment I want to ask the House to view this matter, so far as the Transcontinental railway is concerned, from another standpoint. Granted that there is disagreement of opinion, there can be no dispute as to whether a four-tenths or a six-tenths grade is equal to a velocity grade. No engineer or operator will say that a velocity grade line is superior to a level line; many of the most eminent authorities do say that a velocity grade line is inferior to a level line. That being true, why should the Government, when the country is expending so many millions of dollars in this project, substitute a policy in respect of which there is grave disagreement for a policy on which there is absolute agreement, particularly when the line is nearly finished? Would any business man take such a course in his own business? At least there is no dispute as to the equality of the level line with the velocity grade line; there is a disagreement as to whether the velocity grade line is equal to the level line. Therefore I say it is poor judgment, it is not good business, to accept that policy upon which there is grave disagreement and to substitute for it a policy upon which there is no disagreement whatever.

I want for a moment to refer to the last clause of this report—and here, I think, we find a condensation of the views of the commissioners. I submit to this House and to the country that the statement and the criticism found in this clause is unwarranted, and, to put it mildly, a most egregious blunder so far as the Dominion of Can-

ada is concerned. Leaving out, for the moment, every other consideration, I say that this attack found on page 12 of the commissioners' report is absolutely unwarranted and may be fraught with grave results to a great national undertaking, to a company now engaged in completing a great national enterprise, and that that result will indirectly reflect upon the business of Canada and upon the standing of Canadian enterprises in the financial markets of the world. This is the clause to which I refer:

> We find that the Transcontinental Railway Commission, the Grand Trunk Pacific railway and those having charge of the construction of the railway did not consider it desirable or necessary to practise or encourage economy in the construction of this road.

What does that mean? It is charged that the Transcontinental Railway Commission was derelict in its duty—was extravagant, I dealt with that yesterday at some length, and I am not going to deal with it again; I think I answered that charge very well. Then, the commissioners imply that every man on the engineering staff, every individual connected with the construction of the road, did not consider it desirable or necessary to practise or encourage economy. Does any one imagine that the people of Canada will believe that sweeping assertion made against men who have spent the whole of their lives in the service of the public? I refer not to members of any particular party; I refer to eminent professional men. This assertion on the part of the commissioners means that every engineer on the line who was engaged in the supervision of construction did not find it necessary to be honest, and thought it wise to be extravagant. I am not going to take up and present to the House the names of these gentlemen, but I do say that there are on that staff men of as high ability as will be found anywhere on this continent; men whose honesty at least cannot be challenged by any living soul. Yet the commissioners make the sweeping assertion that all these men practically conspired to neglect their duty. I say that if we had nothing more, these words are in themselves a refutation of the reliability of this report. The judgment of the public is generally very well balanced, and when men go so far, be they commissioners or any other persons, as to make a sweeping charge, without one iota of foundation for it, against men whose reputation has hitherto been unimpeachable, they condemn their own utterance; the people will take no stock whatever in their assertion in that respect, and, not taking stock in that statement, will discount every other assertion such men may make.

I do not intend to defend the professional gentlemen who are engaged in this work; they are well known, but I come to another thing which I think is absolutely an outrage—and I use the word advisedly. It is found in these sentences:

> We find that the Transcontinental Railway Commission, the Grand Trunk Pacific Railway, and those having charge of the construction of the railway, did not consider it desirable or necessary to practice or encourage economy in the construction of this road.

What does that mean? It means that the commission appointed by this Government publicly charge, in a document being circulated throughout Canada, that the Grand Trunk Pacific officials in Canada conspired to defraud the Grand Trunk Pacific Railway Company. Is there any substantiation for that charge, which is one of the gravest made in this country for many years? I say there is no substantiation, there is not the shadow of substantiation for that charge. Mr. Hays, who in his time was one of the ablest men at the head of any railway in this country, and Mr. Chamberlin, his successor, are, without any evidence, charged by Mr. Lynch-Staunton and Mr. Gutelius with not thinking it desirable to practise economy in the construction of a line which they were going to operate, and on the cost of which they were to pay interest. It is inconceivable; it is unthinkable that men should make such a charge and place it not only before the people of this country, but before the financiers of the old land as well, who are being asked for money to carry on this great project. I ask hon. gentlemen who are connected with companies of any magnitude what they would think if such a charge were made against them? They would demand absolute proof, and if this were not furnished, the men who made the charge would suffer the consequences. I say this matter will never be settled until the gentlemen who made this report are compelled to substantiate that charge against the Grand Trunk Pacific, or retract it on behalf of the Dominion of Canada. Is it an attack on the Grand Trunk Pacific Railway Company only? Not at all. Even that is serious enough. At the very time when the finan-

cial situation in Canada is tense, when some of our great industries are finding it difficult to finance their transactions and carry on their undertakings; when the weak ones in the industrial world are being crowded to the wall; when capital is exceedingly sensitive and it is difficult to obtain it, even on good security, this charge is hurled headlong at a company which is linked up with the Dominion of Canada in a great enterprise. That charge against this company is a charge against the Dominion of Canada and the way it manages its affairs. What will the Finance Minister think when he goes to the old land and that charge meets him? What will representatives of industrial concerns think when they go to the old land, as some of them have done, and are met with this unfounded charge against this company? The men against whom these charges are made are well known in the old land; they are men of probity, men of means, men of high standing, and I say it is a most serious thing that this charge should be placed before the public on the streets of London, as it has been, and in the offices of some of the leading men. This Government has a duty which is as clear as the noonday sun, and that is, on behalf of the Grand Trunk Pacific Railway Company and on behalf of the good name of Canada, to repudiate the charge which has been made against that company and which has not one iota of foundation. This unfounded charge has had its influence. Men are out of employment in one of the big cities of this Dominion on account of the publishing of that unfounded report. Some of the leading men of Montreal, close friends of the Prime Minister politically and personally, have no hesitation in saying that this attack is unwarranted, should not have been made, and will injure the Dominion of Canada if not repudiated. And it does not take much intelligence to see that that is the case. I am making a strong plea, Mr. Speaker, on behalf of Canada and this great transportation company under the present financial conditions. The Government may do as they please about the party charges, these are in the political arena; but in the interest of Canada, in the interest of our great industries in Canada, in the interest of this great enterprise the Government ought to repudiate that unfounded charge against the Grand Trunk Pacific railway. Every country has what are known as wild cat projects. They find their way, through their prospectuses, into the money markets of the world. Often the financiers are deceived and bitten. They have been warned from this side of the water many times to beware of the gilt-edged and gold-lined prospectus and we are not anxious as to results to these financiers if they dip into these get-rich-quick schemes. But on behalf of the Dominion of Canada I want to say, and I feel I have a personal responsibility in saying it, that, in the main, the industries of Canada and her great enterprises are sound at heart, that the financial institutions of the old land are perfectly safe not only in continuing but in increasing their investments in Canada, so long as they investigate thoroughly before they go into these investments. We have in this country great industries. We have great enterprises that are going to the old land every day asking for financial aid; and what we in this House ought to do, and what is the duty of the Government above all, is to see that the legitimate enterprise is protected and that the legitimate borrower is not deprived of his rights by any false reports such as the one before me. I am speaking thus strongly because the matter before me has been pressed on my attention during the last few weeks by many prominent men who have no sympathy with the Liberal party whatever; but they feel that a great error has been made in the present financial situation, at least in allowing a report of that kind to be spread broadcast not only throughout Canada but throughout the old land and throughout the United States, where it is having and must have the effect of injuring the credit of Canadian industries and Canadian enterprises unless the Prime Minister of Canada, in the words of an eminent statesman, is honest enough to be bold and bold enough to be honest and repudiates at least that part of this report. I am not pleading at all that he should repudiate that part of the report in which attacks are made of a political nature; we will look after them ourselves in the country. But I am asking him, on behalf of the industries of Canada, on behalf of the borrowers of Canada and on behalf of the Grand Trunk Pacific railway, not to allow his Government to be tied up to such a report as that, because the injury to Canada from such a report cannot well be estimated.

Now, I come to the actual cost to the country. I must again protest against the typewritten report sent out to the newspapers of the country which also, in this case, was a bit misleading. Under headlines already prepared, this item was sent

to the press. The sending out of this item synchronized with the laying of the report on the table.

Assuming that the Grand Trunk Pacific Railway Company will commence to pay interest on the cost of construction in 1922, the road will have cost the country, for principal and interest, $234,651,521. This amount has been arrived at by calculating the interest on the amount expended during each year from the end of the year up to the end of 1921.

These gentlemen are not as fair as my hon. friend the acting Minister of Railways. You see now the false impression—just really to show the trend of this whole thing. This report as sent out, neglected to state that the compilation was arrived at by a computation of compound interest, not simple interest. It makes quite a difference in the impression created in the public mind. The report says compound interest, but the item sent out to the papers leaves it to be understood that the amount was arrived at by the computation of interest in the ordinary way. The amount of interest that it will cost the country during the seven years of free rental of the line forms no part of the cost of construction of the line, everybody agrees with that now. The payment by the country of the interest on the amount the Grand Trunk Pacific would pay for the first seven years, were they not rental free under the agreement, has nothing whatever to do with the cost of the laying of the rails, with the cost of embankments, with the cost of construction, be it great or small. This investigation was to ascertain if there had been extravagance in the construction of the line, and the interjection of this dissertation as to what it would cost the country after the end of the seven years is altogether outside of the instructions given that commission, because it forms no part, directly or indirectly, of the cost of the construction of the line. This amount of the rental for seven years was really a subsidy given to the Grand Trunk Pacific railway, nothing more, nothing less; a subsidy equal to a good many million dollars in cash, it is true, but a subsidy nevertheless. It is a part of the agreement with the Grand Trunk Pacific and has nothing whatever to do, directly or indirectly, with the cost of the construction of the line. But if that be true and it be a subsidy, what earthly excuse is there for the commission computing interest on a subsidy? We have given millions to other railways. We are giving subsidies every year. Now, has any person ever thought that, in order to find out the amount of subsidy we have given to the Canadian Northern railway or the Canadian Pacific railway, we should compute compound interest from the day we gave it until the present? That is what has been done by this commission in this report referring to the National Transcontinental railway. It shows a total unfairness and a desire to treat this enterprise on an altogether different basis from any other enterprise of this kind that the Government has ever aided. I shall make a computation from which I think the Government will see the unfairness and the foolishness of this commission endeavouring to lead the people to believe that interest ought to be computed on what was really a subsidy.

In 1885 the Canadian Pacific railway handed back to the Government certain lands for which they received cash to the amount of $10,198,520.23. This decreased the land grant but increased the cash so that up to 1887 the Canadian Pacific railway had received in cash $72,000,000. Mark you, $72,000,000, in cash or its equivalent. Does any person say that the Grand Trunk Pacific received $72,000,000 with compound interest added? It stands in the books of the Government, in the Auditor General's Department, at $72,000,000; but calculating it as these commissioners insist upon doing, and adding compound interest for thirty years at 3½ per cent, we should find that the Canadian Pacific railway up to 1887 had received in cash, and railways constructed and handed over, $202,089,110. I have just as much right to say that at the end of that thirty year period the Canadian Pacific railway will have received $202,000,000, as this commission has to say that the Grand Trunk Pacific will have received this amount, plus the compound interest. This is the first time in the history of Canada that compound interest has been added to a subsidy given to a railway when endeavouring to show what aid that railway has received.

Mr. MEIGHEN: Where does my hon. friend get his authority for calling that a subsidy?

Mr. GRAHAM: I will tell my hon. friend after a while. Let me now make a comparison between this railway and some others. Considering the difficulties under which it was constructed, the country through which it runs, the exceedingly high cost of labour and material, and the high standard of the road, I assert that the Transcontinental railway has been con-

structed as cheaply as any line on the continent of America during the past ten years. There is no line like it, so far as standard is concerned, so no real comparison can be made. I wish to give the capitalization of some of the leading railway companies. The first companies I shall deal with, I am introducing as a matter of information to the House and not for purposes of comparison, because they have two, three, or four tracks, very expensive terminals and all that kind of thing, but I thought it would be of interest to the House to know the cost of some of the large railway companies on the other side of the line. The Pennsylvania road capital $371,023 a mile; the New York Central $418,370 a mile; Lehigh Valley $437,643 a mile; the New York, New Haven and Hartford $187,426 a mile. Now we come to two roads that might fairly be compared with the Grand Trunk Pacific, although they are not up to its high standard: The Union Pacific cost $150,925 a mile; the Southern Pacific $142,360. For the information of the House, I might give two or three other figures in regard to the capitalization of these roads. The first four roads operate in the eastern and central States and their capitalization is therefore high, but the average capitalization of all the railways of the United States in 1911—the most recent statistics available—was $64,000 per mile. That includes every little branch line, and every cheap line constructed at a cost of $15,000 or $20,000 per mile. None of the lines in the western States can begin to compare with the Grand Trunk Pacific for standard. The average capitalization of all the eastern lines in 1911 was $167,885 a mile, and of the western roads $73,000 a mile. While the average capitalization of all the western roads in the United States, including the cheap, prairie or colonization roads, is $73,000 a mile, the cost of the Grand Trunk Pacific from Moncton to Prince Rupert, with its high standard of equipment will only be $85,000 a mile.

Let me give some figures of Canadian railways. The Grand Trunk railway capital $133,939 a mile. That is a very high capitalization and I gave one reason for its being high yesterday; that the road was built cheaply, as some hon. gentlemen wanted to build the Transcontinental. As a result great portions of the road have been abandoned altogether, millions have been spent in reducing grades, and millions more will be spent in bringing the road up to a high standard. The money invested by some of the original shareholders stands to-day without a cent of dividend ever having been received, and probably will for many years to come, if not for all time. One of the reasons for that, is that wisdom was not shown in the original construction of the Grand Trunk railroad.

The Algoma Central railway, which runs through New Ontario, has a capitalization of $152,891 a mile; the Canada Southern, $99,000 a mile; I now come to the Canadian Pacific railway. I have two reasons for taking this railway: one is that the railway is one of the best managed transportation institutions in the world, and perhaps one of the largest. It is the railway to which Mr. Gutelius looked for guidance or for comparisons in his investigation. I take the Canadian Pacific railway because it is practically the only Canadian road from which we can get the information I desire. The Canadian Pacific railway, it is true, gives its capitalization as $46,000 a mile, but no person for one moment thinks that is all the Canadian Pacific railway cost. The Canadian Pacific railway received from the Dominion of Canada many gifts, and the proceeds of at least some of these went into the construction of the road, or if not, the Canadian Pacific railway is not playing fair. But it is playing fair in that respect. Let me read what aid the Canadian Pacific has received:

Cash aid, Dominion	$ 29,944,660
" " provinces	412,878
" " municipalities	464,761
Lands handed over at cost ..	37,785,320
Value of land, put at $5 an acre .	174,081,010
Total	$242,688,629

That total, figured as this commission figures, would be swelled to $500,000,000 by adding compound interest up to the present time.

Mr. MEIGHEN: Have we not been getting a little service from the company all these years? The commission have only figured up to the time we get returns from the company.

Mr. GRAHAM: They have figured interest on a subsidy, but they never figured on a subsidy for the Canadian Pacific railway or any other line.

Mr. MEIGHEN: They were not appointed to investigate the Canadian Pacific railway.

Mr. GRAHAM: Has my hon. friend figured out the compound interest in regard to the Canadian Pacific railway?

Mr. MEIGHEN: Up to the time the Canadian Pacific railway was in operation?

Mr. GRAHAM: I would like to find the figures that my hon. friend made in that respect.

Mr. MEIGHEN: The hon. gentleman is making a point. If he wants to make it clearly, let him bring the Canadian Pacific railway subsidy up to the date of operation as against the National Transcontinental railway up to the date of operation.

Mr. GRAHAM: My hon. friend knows what he did and tried to do last night. It is just as unfair to charge compound interest on the subsidy to the Transcontinental, be the time long or short, as it would be to charge interest on the subsidy to the Canadian Pacific railway up to the present time.

Mr. MEIGHEN: Without compound interest at all, but figuring the interest at the least rate we pay, or the rate of 3½ per cent, it amounts to $235,000,000 more than the report says.

Mr. GRAHAM: Then, my hon. friend is a better figurer than I am.

Mr. MEIGHEN: No, the report figures it at 3 per cent, which is almost one per cent below what we actually pay.

Mr. GRAHAM: I think if my hon. friend will look into it he will see that it is different. Last night I stood more interruptions than any man in this House has ever stood in making an important statement, and I will say further that I am informed I was interrogated from the galleries through one of the members of this House.

Mr. SPEAKER: I knew nothing about it. Had I known it I should have promptly stopped it.

Mr. GRAHAM: I like to answer all reasonable questions, but when a member starts in to make a prepared statement of this kind I do not think it is fair that his speech should be broken into.

Mr. MEIGHEN: Does the hon. member—?

Some hon. MEMBERS: Order. Sit down.

Mr. MEIGHEN: I can speak with the hon. member's permission. Did he refer to me in his last remarks?

[Mr. Graham.]

Mr. GRAHAM: I saw notes coming in from the outside, not one but several; and a great many questions were asked me, and I was told before the House rose that they were sent by a gentleman from the gallery. If that is not true I gladly take the denial of my hon. friend.

Mr. MEIGHEN: They never came to me. I did not know that the gentleman that the hon. member refers to was sitting in the gallery. I never got any note from any gentleman. I never got any communication from any person, and I never asked any questions suggested to me by anybody else.

Mr. GRAHAM: I accept the statement of my hon. friend. Now, having got over that difficulty, my hon. friend will hold himself entirely responsible for my having to go over these figures again:

Cash aid received from the Dominion	$ 29,944,660
Cash aid from the provinces	412,878
Cash aid from municipalities	464,761
Lines handed over	37,785,320
Land valued at $5 per acre	174,081,010
Total aid without any interest added	242,688,629

The capital of the Canadian Pacific railway on June 9, 1913, was, according to their own statement, $455,276,084. That makes a total of $697,964,713, or a capitalization spread over the whole system of $70,437 per mile. But, Sir, I might add that this is not all that the Canadian Pacific railway got or all that they should have put into their line. I think that $5 per acre is perhaps too large a sum in that calculation.

An hon. MEMBER: No, it is not.

Mr. GRAHAM: Perhaps it is not. That is the calculation I made. Then, it is well known that the Canadian Pacific railway stock to-day does not sell at par, even when distributed amongst the original shareholders, but that for every hundred dollars charged to capital the company has received $175. During recent years it would be unfair to say that the capitalization, even taking my figure of $70,437 per mile, at all represents the amount that is in the road, or ought to be, because for the stock sold they got $175 a share.

Then, there is another point. This includes all the branch lines, some of which did not cost $15,000 per mile, some of which were laid with iron rails, some of which were laid practically without ballast in the prairie country, and these are all

included in this capitalization. Strip the main line of the branch lines and there would be at least from $8,000 to $10,000 a mile to add to the capitalization of the main line. That is a very mild estimate. My hon. friends behind say that I should place it at twice that amount. Well, put it at $10,000 and you have $80,000 per mile as the capitalization of the Canadian Pacific railway without the 75 per cent premium.

But there is something further. During the last few years the Canadian Pacific Railway Company have expended out of earnings on that line, and on account of other companies, at least $100,000,000 in betterments that do not appear in the capital stock at all, and which they could not spend in the way they did under the Inter-State Commerce Commission. I am not criticising the expenditure, as it was probably good business. But that ought to be added to the capitalization as well. If you take this into consideration, the capitalization of the Canadian Pacific railway would be much higher than the cost of the Transcontinental railway per mile from Prince Rupert to Moncton and the Canadian Pacific railway is not, and on account of its position, never can be, a road equal to the Transcontinental.

Mr. EMMERSON: Who owns it?

Mr. GRAHAM: The people do not own one foot of it and will never get any rental in the way of interest or from any investment they have in that road. I want to make another calculation, but lest there might be some mistake, I am not going to make it myself. I want to allow some other person to make it for me, in whom, I think, the Solicitor General has more confidence than he has in me. I think he had a good deal in me at times. I am going to ask you to take the figures given to this House by the Finance Minister of Canada. In speaking in this House on June 3, 1913, in support of aid to the Canadian Northern, the hon. the Finance Minister (Mr. White) said this:

> What did the Canadian Pacific railway get? They got $25,000,000 in cash; they got 25,000,000 acres of land which have turned out to be worth a greater sum than the capital stock of the Canadian Pacific Railway Company. I shall not take it on the basis of to-day's value; I shall deal with it on the basis at which it was deemed proper it should be taken at that time. The 25,000,000 acres of land were stated to be worth from $1 to $1.50 an acre. With the development of this land, which has been brought about not only by the Canadian Pacific railway, but by all these other railway companies which have been built, it has turned out to be worth a sum in excess of $250,000,000. What else did they get? They got in addition to that 700 miles of completed line of railway from Prince Arthur's landing to a point west of Winnipeg, 500 miles; and from Port Moody east through the Fraser canyon, 200 miles. They got all these grants from the Dominion Government in consideration of their undertaking to build the line. What would that subsidy amount to at that time? It is the very opposite of an extreme statement to say that the cash subsidy given to the Canadian Pacific Railway Company in consideration of building the line would run at least to $25,000 or $30,000 per mile upon the part of the line which they constructed.

The Minister of Finance himself said this; it is a most moderate estimate, but I will take it for my calculation. Thirty thousand dollars a mile on the part of the line which they constructed, roughly speaking, would be from $22,000 to $25,000 a mile on the balance of their main line. And mark you, Mr. Speaker, that on some of the lines at this end of the main line, subsidies were given under other names to what is now the Canadian Pacific railway, which do not appear in these figures at all. The Canadian Pacific railway got the benefit of these subsidies in taking over these roads. Forty-six million dollars practically, capitalization; $25,000 per mile, would make about $71,000 a mile, calculated by the Minister of Finance himself. But add to that the enhanced value of the main line by cutting off all the branch lines and the cheap lines, and you have at least $10,000 more per mile, to put it very mildly. There you have $81,000 a mile. And, if to that we would add the premiums they received on stocks; if to that we would add the hundreds of millions of dollars they have expended in betterments, out of revenue from the Canadian Pacific railway and from other companies, we would have a capitalization far and away in excess of the cost of the Transcontinental railway from Moncton to Winnipeg.

Mr. EMMERSON: And you have not calculated in that the exemption from taxation and customs duty.

Mr. GRAHAM: Yes, there are other items in the agreement with the Canadian Pacific railway which are not calculated in this at all. After figuring all that, we come again to this point: that, having a road of a higher standard that has not cost any more than the Canadian Pacific railway, we own 1,804 miles of that road,

and we own not a foot of the Canadian Pacific railway.

I want to clear up another point which has been raised, and that is as

5 p.m. to what was meant by the free rental period of seven years given to the Grand Trunk Pacific Company. I say it was a subsidy pure and simple, and should be treated like every other subsidy. It should be treated as an outright gift on which no interest is to be calculated, as no interest was ever calculated on any subsidy given to any other company. I am going to ask the House to take a leading authority for this opinion also. Speaking of the Transcontinental railway in this House, a gentleman named the Hon. Mr. White, Minister of Finance of Canada, said:

> The Government of Canada undertook to build that line (the Transcontinental), and from the day it was undertaken by the Grand Trunk Pacific Railway Company, their interest ceases for seven years. The Dominion of Canada loses three per cent upon $175,000,000, and money is worth more to-day to the Dominion of Canada than three per cent. But take it on that basis, and you have a direct subsidy to the Grand Trunk Pacific Company of $5,000,000 per annum, or $35,000,000 for seven years.

The Minister of Finance of Canada, in his statement before this House, treated the seven year rental free period of the Grand Trunk Pacific Railway Company just as I have treated it, namely, as a subsidy, and there is no other fair way to treat it in comparing it with other subsidies to other companies.

Some gentlemen have said that owing to the high cost of this road it would be impossible to operate it at all; others have said it could not be operated at a profit. We were told by the acting Minister of Railways that it would be a burden on the people. I pointed out last night that the head of the commission, Major Leonard, who is building this so-called burden on the people, said it is not a burden on the people at all, but an asset. I can place before the House a few figures that will show, that with the estimate of traffic, given by Mr. Tye himself to this commission, trains can be operated from Winnipeg to Moncton, not only to pay the running expenses, but at a small profit, or at least some profit to the Grand Trunk Pacific Railway Company. That is, if the standard of the road is placed back where it was in 1911. Mr. Tye, in his evidence before the commission, gives an estimate of the probable traffic to be expected between Winnipeg and Quebec. This estimate is very conservative, but it will answer the purpose. As Mr. Tye gave no estimate east of Quebec, the same number of trains per day has been assumed between Quebec and Moncton as between Quebec and Cochrane, namely five per day. This gives an average for the whole line from Winnipeg to Moncton of 8·5 trains per day, both ways. I had an estimate given me a day or two ago, of eight trains per day, but this is an estimate worked out on Mr. Tye's own estimate of the traffic.

Mr. AMES: Eight trains each way?

Mr. GRAHAM: I have said that I speak of a total of 8·5 trains per day. I want to explain here that local trains will interfere perhaps with the calculation one way or the other. There will be local trains from Cochrane east, and local trains perhaps from Cochrane west. On the Temiskaming and Northern Ontario there will be freight going west from there, and freight coming east, in, and down that line. They are not through trains but they are taken at an approximation and calculated as equal to through trains, by a practical railway man, and based on the figures given by Mr. Tye himself. Railway statistics of the United States and Canada indicate that a charge of $1.65 would be an ample amount to allow as the cost of running a train a mile over this road, or a total charge of $3,000 to run a train from Winnipeg to Moncton, or a total charge of $25,500 to operate the 8·5 trains over the line each day. Over a road of this standard, an average of 1,000 tons per train is a conservative allowance, and I might say that these trains, if the road is left up to its standard, could carry 2,000 tons just as easily almost as 1,000 tons. Indeed, one of the standard locomotives could haul more than 2,000 tons, and 2,000 tons is a very moderate estimate, and Mr. Leonard himself put the estimate at 1,600 tons. For the purposes of this calculation, I will say that these trains would average 1,000 tons, and that makes a total tonnage of 8,500 tons per day.

The latest returns of the Canadian Pacific railway show that the average gross revenue per ton per mile is in the neighbourhood of three-quarters of a cent per ton. As a considerable proportion of the Transcontinental tonnage will be wheat, a lower average should be taken, say, one-half cent per ton, or $9 to transport a ton from Winnipeg to Moncton. I want to explain that this is the average. There is much of the traffic that will pay a much higher average than that, and much of it will pay a lower rate.

Grain, of course, will pay a rate very much lower than that, while manufactured articles going west will pay a much higher rate. The Canadian Pacific railway receives about three-quarters of a cent per ton per mile, and this calculation is averaged on half a cent per ton per mile. This rate applied to the 8,500 tons handled per day gives the company a gross revenue each day of $76,500. In this calculation I have not figured any passenger trains at all. But it may be well to be on the safe side, and say that the tonnage may not be this large, but the passenger traffic will certainly make up for any difference in that calculation, and the extra tonnage that can be drawn will again help to make up the deficiency. I believe the conclusion is a very moderate one. The following then is the situation:

Gross revenue to the company from operating 8.5 trains per day	$76,500
Cost of operation	25,500
Interest charges per day, as per commissioners' report	14,800
Total charges per day	$40,300
Net revenue per day	$36,200

If you cut this calculation in two, and that is giving absolutely all the facts against the project, the company will still have sufficient money to pay the operation of the road, the interest to the Government, and will have at least $18,000 a day left for other charges and expenses. That is what the experts of the commission themselves estimate will be the traffic of the road at an early date; but when you take into consideration the traffic that must accrue from the West to the East and from the East to the West during the years that are to come, as the eastern and western provinces develop, as the northern part of the province of Ontario opens up with farm houses dotted here and there, it is no mad proposition to say that in ten years the traffic of this line will be doubled and, instead of this line being a burden, in spite of all the pessimistic talk of hon. gentlemen opposite, it will be a profit-making line to the Grand Trunk Pacific Railway Company of Canada. I have thought it fair to go to the extent of working out this calculation with a man who has some experience in these matters, and I have based it on the figures given by the commission in order to show the capitalists of the old land that, when the Grand Trunk Pacific Railway Company ask for money, they are not being placed by the people of Canada in a position where they cannot earn interest on their indebtedness.

I want to turn to another phase of the same question. I am sorry that my right hon. friend the Prime Minister is not here. My conviction is that the Prime Minister of Canada and the city of Halifax; that the Minister of Marine and Fisheries and the city of St. John, and the Postmaster General and the city of Quebec, are being misled at the present time as to the benefits to be derived from the Grand Trunk Pacific by our ocean ports. I say that they are being misled and are taking it for granted that Halifax, St. John and Quebec under the present conditions will receive the benefits that they expect to receive from this great undertaking. I say that they may not. I will point out to my hon. friend from Quebec county (Mr. Pelletier), as I know he is interested, why I think so. I firmly believe that, when he considers this question, he will use his influence to see that the wrong that has been perpetrated on the city of Quebec, on the city of Halifax and on the city of St. John, as our ocean ports, is remedied without delay. How was it expected that with this railway we would be able, particularly at Halifax and St. John and I might also include Quebec, to compete with American ports? Not by building a road as good as any other road. That would not have the desired effect. To reach the American ports requires a larger haul than to St. John and Halifax. The object in building this road to such a high standard was that, by the superior standard of the National Transcontinental railway, the difference in distance might be overcome. I discussed that question with the late Mr. Hays; I discussed it with Mr. Chamberlin and they assured me time and again that what they hoped to accomplish in making our Canadian ports what we all want them to be, could be accomplished only through having their road able to carry a bigger load than any competing road. I have discussed the question of grades. I want to point out again to the Postmaster General, to the Prime Minister and to the Minister of Marine and Fisheries representing these ocean ports that, to put it mildly, they are on unsafe ground in acquiescing in the changes in these grades. Last night I quoted as high an authority as there is on the continent of America on grades, and he distinctly says, on his authority as an engineer of great experience, that velocity grades on a new line and in our country are not to be depended upon for carrying the load that can be carried by a train loaded for a level line. He

stated that most emphatically. If that is the case, if the people of the old land believe that—and this engineer is an influential man—they will at once say: Here is another instance why we should not give the Grand Trunk Pacific Railway Company money fully to equip and operate this line, because it is an inferior line according to the highest authority, and is not the line which they told us they were going to be able to operate so cheaply. Mr. Chamberlin made that absolutely clear in a letter addressed to Major Leonard which I will read again. He had in mind the very matter, to which I have referred, that the only way to make these Canadian ocean ports a success is to have a road better than any other. He at once took exception to this Government changing or altering the grades on the National Transcontinental railway, which he had agreed to operate and which the country had agreed to build as he wanted it, so far as grades and curves were concerned: This is his protest:

July 18, 1912.

Major R. W. Leonard,
Chairman Transcontinental Commission,
Ottawa, Ont.

Dear sir,—I learn from our engineers that the standard of work on that portion of the Transcontinental railway between Lake Superior Junction and Cochrane, which was at the outset adopted and has so far been complied with, is being departed from, and that instead of four-tenths grade and permanent structures, you have authorized grades up to one per cent and the erection of temporary wooden structures. In regard to this I would call attention to clause 7 of this agreement of the 29th July, 1903, which provides that the work of construction of the eastern division shall be done according to the specifications approved by the company and shall be subject to the joint supervision, inspection and acceptance of our chief engineer and the chief engineer of the commission. I beg to say if this work is done in accordance with what I understand to be your recent instructions, it will not be in compliance with the agreement nor satisfactory to this company and cannot be accepted.

(Sgd) E. J. Chamberlin.

Within a very few months after this Government came into power, Mr. Chamberlin served them with notice that, if they changed the grades on this road, he would not accept the change. I should think that in the face of that the Government would have hesitated long before they would have proceeded with changes on the work. Not only did they proceed with the change of grades west of Cochrane to which Mr. Chamberlin objected, but they introduced similar changes by the dozen between Cochrane and the city of Quebec. I was asked by an Ontario man whether I would do anything that would prevent traffic coming down the Temiskaming and Northern Ontario railway from Cochrane, and I said: You do not know your man. I am not from the province of Ontario only; I am proud to be a resident and a native of the province, but when I am in the House of Commons I am from the Dominion of Canada. If that line were run through my own constituency, I would take the same view I do now. This is a great national undertaking for the people of the Dominion of Canada, and any effort made to cripple any part of it is not creditable to the men who make that effort. My desire is not to make an attack but to point out that Mr. Chamberlin, in so many words, informed the Government that if they made these changes he would not accept the road. He has never gone back on that notice, and the changes have been made. Let me read some of the changes that have been made west of Cochrane:

At mile 175, from station 1,784 to 1,817, there are 2,700 feet of .45 against eastbound traffic instead of four-tenths.

Mr. AMES: What is the hon. gentleman reading from?

Mr. GRAHAM: From a statement I made in the House last year, based on an examination of the profiles by an eminent engineer:

Then follows 1,000 feet of level and immediately 1,300 feet of .65 against westbound traffic, an increase here in the grades both ways.

At mile 177, station 1,876 to 1,889, there is 1,400 feet of 3/10 against eastbound traffic, followed by 1,000 feet of 8/10 against westbound traffic, another distinct increase in the grade.

At station 1,928 to 1,936, there is 800 feet where the 4/10 grade against eastbound traffic has been raised to .76, an increase of practically 100 per cent, followed by 1,600 feet of 6/10 grade against westbound. At mile 179 there is a siding. Some slight changes have been made at this point, but they are trifling. At mile 180, station 2,024 to 2,039, there is a stretch of 1,500 feet where the grade has been raised from 4/10 to .48 against eastbound traffic. At mile 181, station 2,104 to 2,115, the 6/10 grade against westbound traffic has been raised a trifle to .63. At mile 182, station 2,154 to 2,169, after 1,400 feet of level track, it is immediately raised to .75, which runs for 1,800 feet against westbound traffic.

A distinct violation of the agreement which will, if it means anything, increase the freight rates against the manufacturers of eastern Canada who want to send their goods to the West over this line.

Possibly that would not be a momentum grade. There is no momentum, as I gather

from the profiles, to compensate for the rise in the grade from 6/10 to .75. At mile 183, there have been several slight changes from the original, introducing what the engineers call 'sags.' At mile 184, from station 2,261 to 2,265, after 400 feet of level there are 1,000 feet raised from 6/10 to 8/10 against westbound traffic. At mile 185, following 1,300 feet of .31 against westbound traffic, 800 feet were raised to 8/10. At mile 187, station 2,385 to 2,401, a grade of 4/10 against eastbound traffic was raised to .42 for 1,600 feet.

This shows that there seemed to be a desire to change the grade just a little. Not one farthing would be saved by such a slight change as that.

At mile 188, station 2,471 to 2,475, there is something over 500 feet of level, followed by 1,475 feet, and the grade was raised from 6/10 to 8/10 against westbound traffic. At miles 190 and 191, station 2,594 to 2,616, there is 2,200 feet of 4/10 raised to 7/10 against eastbound traffic. At mile 193, station 2,720 to 2,741, there is 2,100 feet of 4/10 raised to .62 against eastbound traffic, and at station 2,751 there is 1,000 feet of 6/10 raised to 8/10 against westbound traffic. At mile 194, station 2,760 to 2,770, the grade has been raised against eastbound traffic to 6/10. At mile 196, station 2,884 to 2,900, after 1,600 feet of practically level track comes 1,500 feet where the grade has been raised from 6/10 to 8/10 against westbound traffic. At mile 197 to 199, sags again have been introduced, as stated before, apparently to save a few loads of fill, without having any regard to the appearance of the road. At mile 200, station 3,090 to 3,110, after 2,000 feet of 4/10 grade against westbound traffic, the grade suddenly rises to 8/10 against westbound traffic for 2,000 feet. At mile 202, station 3,225 to 3,240, there is 1,500 feet where the grade of 4/10 against eastbound traffic has been raised to .51.

These changes west of Cochrane were made in the face of the protest of the President of the Grand Trunk Pacific Railway Company, and of a notice that if the changes were made the road would not be taken over by the company.

I come now to the changes made east of Cochrane—and that this materially affects the cities of Quebec, St. John and Halifax I say without any fear of contradiction. I will repeat in the presence of the Minister of Marine and Fisheries what I said when he was out: that the Minister of Marine and Fisheries in St. John, the Prime Minister in Halifax, and the Postmaster General in Quebec stand on very dangerous ground in allowing these changes to be made or to remain made in the grade of the line from Winnipeg east, because Mr. Chamberlin says that if they are left as they are he will not take the road. If he does take the road, the consensus of opinion of very good authorities is that he will never be able to haul as much tonnage per train as he could have hauled had the grade been left at the standard. If this contention be true, St. John will get little benefit from the Grand Trunk Pacific railway; if it be true, Halifax will get little benefit from the Grand Trunk Pacific railway; if it be true, the benefits expected by the city of Quebec will be largely diminished by the putting in of these grades. If it be possible that the power of haulage may be decreased, would it not be a safe thing for these three members of the Government, coming from the great ocean ports, to insist that that doubt be removed, and that everything be taken out of the way that might prevent the Grand Trunk Pacific from feeding traffic into our great Canadian ocean ports and receiving traffic therefrom. It is common sense that they should do that, and I believe that it will be done before very long, if I know the temper of the people of these cities when they understand the situation, as I hope to be able to point it out to the Government.

Now, I come to the grades that have been changed east of Cochrane. Hon. gentlemen may laugh, but this is not a very laughing situation. This is a situation in which the Dominion of Canada, by an agreement with a company, is investing $181,000,000, one of the great objects in view being the development of our own Canadian ports. The violation of that agreement is not a small matter, particularly when the gentleman who is at the head of the operating company that should lease this line says he will not take over the line at all if these grades are put in now. I shall give the changes made east of Cochrane:

At mile 86, what was originally designed as a four-tenths per cent has been raised to a six-tenths per cent grade. At mile 90, station 1,545 to 1,660, there is another rise in grade, 1,500 feet of .56 against eastbound traffic instead of four-tenths as per original instructions, and at station 1,694 there is 600 feet of .53 grade against eastbound traffic instead of four-tenths.

The very first change made east of Cochrane is made against eastbound traffic and against the cities of Quebec, St. John and Halifax

At mile 93, there is 2,000 feet where a slight sag has been introduced without any apparent reason except for the purpose of introducing it.

At mile 99, station 2,160 to 2,172, there is 1,200 foot level, then 2,000 feet of one per cent grade instead of six-tenths against westbound traffic, originally contemplated, followed by a slight grade against eastbound traffic.

The same argument applied to 86, will, I believe, apply to this grade, and I leave it to the staff themselves, if they look over the pro-

files carefully, if they will not find in at least two places a grade where there is no attempt at a velocity or compensating grade, if it is not a straight run from the level at the grade, I am not prepared to say at what mile it is.

At mile 101, station 2,226 to 2,233, there is 700 feet of level, then 1,300 feet of .84 grade against westbound traffic instead of six-tenths, which merges into 3,300 feet of six-tenths. On the 700 foot level, a full train will be expected to get up sufficient speed, not only to climb 1,300 feet of .84 grade, but added to this without any easement of grade at all, a stretch of 3,300 feet of 6/10.

And I say now that a loaded train of empty cars, perhaps being taken back in a rush to Winnipeg and the West to receive grain will stall on this grade under the best conditions.

Again, before the 6/10 grade begins there is a continuation of .84 grade for 1,300 feet, so that the original intention that the train would only have to climb the 6/10 grade is altogether obviated, and the reasoning that there will be a great reduction of speed will apply to this grade as well as to the other.

Then, on contract 14, at mile 65, there is 1,400 feet of 4/10 against westbound traffic and then a stretch of 2,200 feet rise of from 6/10 to .73 running into a long stretch of 6/10. The same argument as to the necessary speed of a train when striking the 7/10 grade in order to assist it up that 2,200 feet, and also the additional distance of the 6/10, is applicable.

At mile 175, from station 1,784 to 1,817 there is 2,700 feet of .45 against the eastbound traffic instead of 4/10. Then follows 1,000 feet of level and immediately 1,300 feet of .65 against westbound traffic, an increase here in the grades both ways.

At mile 177, station 1,875 to 1,889 there is 1,400 feet of 3/10 against eastbound traffic, followed by 1,000 feet of 8/10 against westbound traffic, another distinct increase in the grade.

At station 1,928 to 1,936, there is 800 feet where the four-tenth grade against eastbound traffic has been raised to .76, an increase of practically 100 per cent, followed by 1,600 feet of six-tenth grade against westbound. At mile 179 there is a siding. Some slight changes have been made at this point, but they are trifling.

At mile 180, station 2,024 to 2,039, there is a stretch of 1,500 feet where the grade has been raised from 4/10 to .48 against eastbound traffic. At mile 181, station 2,104 to 2,115, the 6/10 grade against westbound traffic has been raised a trifle to .63. At mile 182, station 2,154 to 2,169, after 1,400 feet of level track, it is immediately raised to .75, which runs for 1,800 feet against westbound traffic. Possibly that would not be a momentum grade. There is no momentum, as I gather from the profiles, to compensate for the rise in the grade from 6/10 to .75. At mile 183, there have been several slight changes from the original, introducing what the engineers call 'sags.' At mile 184, from station 2,261 to 2,265, after 400 feet of level there are 1,000 feet raised from 6/10 to 8/10 against westbound traffic. At mile 185, following 1,300 feet of .31 against westbound traffic, 800 feet were raised to 8/10. At mile 187, station 2,385 to 2,401, a grade of 4/10 against eastbound traffic was raised to .42 for 1,600 feet. At mile 188, station 2,471 to 2,475, there is something over 500 feet of level, followed by 1,475 feet, and the grade was raised from 6/10 to 8/10 against westbound traffic. At miles 190 and 191, station 2,594 to 2,616, there is 2,200 feet of 4/10 raised to 7/10 against eastbound traffic. At mile 193, station 2,720 to 2,741, there is 2,100 feet of 4/10 raised to ,62 against eastbound traffic, and at station 2,751 there is 1,000 feet of 6/10 raised to 8/10 against westbound traffic. At mile 194, station 2,760 to 2,770, the grade has been raised against eastbound traffic to 6/10. At mile 196, station 2,884 to 2,900, after 1,600 feet of practically level track comes 1,500 feet where the grade has been raised from 6/10 to 8/10 against westbound traffic. At miles 197 and 199, sags again have been introduced, as stated before, apparently to save a few loads of fill, without having any regard to the appearance of the road. At mile 200, station 3,090 to 3,110 after 2,000 feet of 4/10 grade against westbound traffic, the grade suddenly rises to 8/10 against westbound traffic for 2,000 feet. At mile 202, station 3,225 to 3,240, there is 1,500 feet where the grade of 4/10 against eastbound traffic has been raised to .51.

I find that the following grades were changed east of Cochrane, in district 'C,' contract 14:

At mile 115, station 2,996 to 3,000, there is 400 feet of a level and 3,000 feet of six-tenths against westbound traffic, and 1,300 feet of .49 against westbound traffic. At mile 125, station 3,476 to 3,495, there is another change, making six-tenths grade, which, while being only the standard grade in the agreement, still is an increase over what was intended originally, and a violation of the chief engineer's instructions. At mile 141, station 4,360 to 4,370, there is 1,000 feet of seven-tenths grade against westbound traffic, an increase over the standard. Then from 4,370 to 4,390 there is 2,000 feet of six-tenths grade, followed by 1,150 feet where it drops to four-tenths, which is increased again from station 4,405 to 4,417 for 1,200 feet to six-tenths. This shows that the train will not only have to climb the increase of one-tenth of one per cent over the standard, for the 1,000 feet, but it must keep up this momentum for 2,000 feet on a six-tenths grade. In fact, for 5,350 feet it is here continually climbing. At mile 157, station 5,206, there is 1,200 feet of practically level stretch, then 2,100 feet of four-tenths against eastbound traffic, and 1,600 feet of a grade of a little over five-tenths against eastbound traffic, this being another increase in grade. At mile 167, the four-tenths grade is changed into 1,200 feet of five-tenths and 1,200 feet of three-tenths, both against eastbound traffic. At mile 181, there is another change from six-tenths to nearly eight-tenths against westbound traffic. At mile 189, there is 3,000 feet raised from four-tenths to five-tenths against eastbound traffic. At mile 191, station 1,121 to 1,137, there is 1,600 feet of level, but at station 1,145 there is 800 feet of 1 per cent grade against eastbound traffic which must depend for its safe and successful operation in momentum or a reduced train load proportionately.

I put these figures again on 'Hansard' to show these changes in grade divided into east and west of Cochrane. They were taken from the profiles by a competent engineer. I did not locate them last year as east and west of Cochrane. I want to

make clear again, because this is of paramount importance, more important than any party gain or consideration, that, there being a difference of opinion, some of the most competent engineers in America contending that these grades do not produce as good a road as a four-tenths and six-tenths, a grave doubt has been raised, to put it mildly, of the efficiency of this road with the velocity grades. It is therefore the duty, I say, of the gentlemen representing Halifax, Quebec and St. John particularly, to see that this doubt is removed and these velocity grades replaced by four-tenths and six-tenths per cent real grades.

Mr. PELLETIER: Has the hon. gentleman given the name of the engineer from whom he obtained these figures?

Mr. GRAHAM: I submitted these profiles last year to Mr. M. J. Butler and he had an assistant with him. I did not tell him what I was going to do with his statement, I asked him to make out the grades and to give me the figures. The profiles have been before Mr. J. B. Berry, one of the greatest authorities on this continent and the opinion he gave me on them I gave to the House last night. He had these profiles all before him, as I submitted them myself and asked his opinion, and he is wholly disinterested in the information he gave. I think his authority will not be questioned.

I was saying a few moments ago that the late Mr. Hays and Mr. Chamberlin, in discussing this question of the standard of the road with me some years ago, took the ground absolutely that the only way in which St. John and Halifax could receive the benefit of the Grand Trunk Pacific traffic, as was intended, was by building a road, not equal but superior to the standard of American roads; so that the superiority of the Canadian road over the American roads would overcome the difference in distance as between Canadian ports and American ports. As Minister of Railways, I insisted that, wherever possible, this high standard should be maintained, and that there should be no doubt as to the efficiency of the road. If there is any doubt about velocity grades injuring the efficiency of the National Transcontinental railway, should not the members of the Government who represent these great ocean ports of St. John and Halifax remove that doubt? Do they not owe it to themselves and to the cities which they represent? Halifax, St. John and Quebec are the three ports of entry for all the traffic that comes across the Atlantic to the Dominion of Canada or goes out that way. It is well to develop the port of Quebec, and it is well to spend millions in the city of Halifax and in the city of St. John, but if these cities are not to get the benefit of our own road, then I say that the large expenditure being made in these great ports is being made for other railway companies, and not for the National Transcontinental railway. After spending millions of dollars, why take any chance—to put it in the mildest form—in order to save a comparatively small amount, and Mr. Berry says a far smaller amount than is named by this commission. I put it strongly because I feel the situation. I discussed it thoroughly with the late Mr. Hays and Mr. Chamberlin some years ago, and we arrived at the conclusion that our great Canadian ports could not be kept up unless the high standard of the road was maintained. I urge the Prime Minister, as representing Halifax, and the Minister of Marine, as representing St. John, and the Postmaster General, as representing Quebec, to look into this matter most thoroughly, and not take the word of any engineer who may say that this is as good a way to build a road as any other, or even the word of an engineer who says it is not as good a way. They should remove the doubt that has been raised so that there can be no mistake, so that if the Canadian ports are not developed it will not be the fault of the Grand Trunk Pacific construction. If I were discussing a party question, I would not take up so much of the time of the House, but I feel that this is of vital importance to the Dominion of Canada, and should not be made a football for any one province as against another, or for any one set of ideas as against another. We want the trade of Canada for Canadian ports, and the Transcontinental was constructed for that purpose; and if we take any chance whatever when we know the situation, then in the years to come there is one man in the Dominion of Canada that will not be responsible for the consequences if they are not up to the expectations of the gentlemen who represent these ports.

In the city of Quebec some changes have been made, and while for the present moment those changes will be for greater benefit in the way of labour for the city of Quebec, I want to call the attention of the Prime Minister,

representing the city of Halifax, and the Minister of Marine and Fisheries, representing the city of St. John, and the Postmaster General, representing Quebec, to this: The shops in the city of Quebec have been removed several miles away from the main line. The late commission and the late Government were building a station of their own of magnificent proportions at Champlain Market. That station is to be of a smaller character now, and the Grand Trunk Pacific will not own a station in the city of Quebec, outside of this little station which is being constructed by the Canadian Pacific railway under certain conditions. I am not going to discuss those conditions as other hon. gentlemen from Quebec will do that. But I want to point out to the members representing these three great ocean ports that every car that breaks down on the main line and needs to be repaired —as will happen time and again—will have to be hauled miles down to the repair shops and miles back again to the main line, and every time that is done it adds to the freight rates, to the city of St. John and the city of Halifax. Under the old arrangement, repair shops were on the main line and there were no transportation expenses for crippled cars being moved to and fro from the main line to the repair shops. The new shops at St. Malo are not on the line of the Transcontinental at all. They are on another line and in order to get to these shops the Transcontinental has to do one of three things: either to get running rights over another line and be second fiddle in the city of Quebec; or build a line of its own about four or five miles; or build a tunnel from the main line between Champlain Market and the Quebec bridge; across to the shops at St. Malo. In only those ways can they get to the shops. On page 183 of the report of the Quebec Board of Trade I read this from a speech of the right hon. the Prime Minister:

> The site originally selected at St. Foye will nevertheless be utilized in the first instance for a large through freight yard which is necessary at that point in order to provide for the distribution of cars on different roads. Moreover a large handsome station has been completed at St. Foye as well as an eighteen stall engine house and every building necessary for the efficient operation of the railway. Between the Quebec bridge and the Champlain market a double track has practically been completed.

Where is that commission which said that it was illegal to build a double track?

> There is also a connection with the Canadian Northern railway at Cap Rouge which permits entrance to the St. Charles side of the city and which can be utilized for this purpose pending the completion of the tunnel that will connect the St. Lawrence water front with the new union station on the Palais site.

In the plans there is a tunnel, or there ought to be a tunnel. The Prime Minister told them at Quebec that there was to be a tunnel. The Prime Minister, in answer to a question I put to him the other day—an innocent question, I admit—asking what the estimate of the tunnel was, said: It is not customary to give an estimate of a public work before the tenders are in. I asked the Minister of Railways and Canals if these shops, or the station, were on the Transcontinental railway, and he said: Yes, when the railway is completed. That means that a tunnel must be built. I would ask the Postmaster General to look at that map and see if the tunnel is not wiped out altogether from the map. Where that yellow blotch is there was a red line marked 'tunnel', but in the map given to me it is marked out and no tunnel is shown. I will tell the House why that is done. I will give my hon. friend the Postmaster General this other map and he will see some lines there. The amateurishness with which they tried to mark this out is so evident that I would like the Postmaster General to show this to his colleagues, and ascertain from them what has become of the tunnel. One part of the Government says there is going to be a tunnel at Quebec and another part says there is not going to be. The Transcontinental Railway Commission say there is going to be no tunnel, the Prime Minister says there is going to be a tunnel and the acting Minister of Railways and Canals, said the other day also that there was going to be a tunnel. I want to point out to the Prime Minister and the Postmaster General that, according to the present figures given to me by the commission, no tunnel is provided for in the city of Quebec. I asked for a return showing the difference between the cost as estimated under the original plan and the cost as estimated under the present plan and I am going to read the figures to the House. They will find no tunnel in those figures. Why was it erased on that map? Absolutely to convince the people that the new plan is to cost a million dollars less than the old one, while, as a matter of fact, it will cost $2,000,000 more. This Government and this commission, who are going to build the Transcontinental railway and save money, who are going to be more economical than were the old Government, who charged the old Government with ex-

travagance, are spending more money on the Transcontinental railway proportionately than their predecessors in office.

Mr. PELLETIER: The hon. gentleman shows me one plan where the word 'tunnel' is stricken out. I see that on the same plan the words 'St. Malo shops' are also stricken out. However, these shops are now in course of construction with 600 men working.

Mr. GRAHAM: That is what I say; notwithstanding the finding of this commission, these shops are being built. What I say is that these maps were given me by this Government or its officers, and that in one of the maps the tunnel is stricken out and in the other the shops are stricken out.

Mr. PELLETIER: No, both are stricken out.

Mr. GRAHAM: Why?

Mr. PELLETIER: Ask the people who struck them out; I do not know, I know the work is going on, and that is better than mere words on all the plans which you may show.

Mr. GRAHAM: I know it is and I am finding fault, not that the work is going on, but that the maps were given to me in order to carry out the statement which was handed to me. These maps are not true. It is unfair. I am going to read the report given to me in a return and I am going to call the attention of the hon. acting Minister of Railways and Canals to it. I want the Postmaster General to listen because he is conversant with the situation. What I invite attention to is this:

Estimated cost of Quebec Terminals under present plans.

Cost of work done and right of way taken over from the Quebec Bridge Company between Point à Pizeau and Quebec bridge (including track material)	$ 287,169 90
Cost of grading to date, Quebec bridge to Champlain Market	543,000 00
Estimated cost of completing grading, Quebec bridge to Champlain Market	57,000 00
Cost of track material, Point à Pizeau to Champlain Market	40,000 00
Cost of land, Point à Pizeau to Champlain Market (includes to deep-water line)	1,368,050 00
Estimated cost of station and terminals at Champlain market	60,000 00
Total	$2,355,219 90

Joint Terminals.

Estimated cost of joint terminals, on which the Government pays as annual rental a sum equal to 2¾ per cent:		
Canadian Pacific railway property at Quebec	$3,300,000 00	
Additional land to be purchased for joint terminals	800,000 00	
Terminal station and yards to be built by Canadian Pacific railway	1,500,000 00	
Total		$5,700,000 00
Annual rental, $128,250, capitalized at 4 per cent	3,206,250 00	
Land and right of way	285,780 10	
Total		$5,847,250 00

Can my hon. friends now see why the tunnel is stricken out of this map because it is not given to me in this statement at all? This statement given to me by the commission of the cost of the present arrangement leaves the shops of the Transcontinental railway miles away from any part of the main line. But this statement is incorrect because the Prime Minister said they were going to build the tunnel and the acting Minister of Railways and Canals said so too. I understand it is in the plan. Why is it left out of the statement that is given to me?

There is another error in this statement in order to bring the cost below the cost of the old plan. The annual rental of $128,250, capitalized at 4 per cent gives $3,206,250. Why is it capitalized at 4 per cent when the Transcontinental railway is only going to pay 3 per cent? That reduces the amount by about a million dollars. Taking that $128,250 as the proper sum, we know that the Grand Trunk Pacific will never pay 4 per cent, as they are required to pay only 3 per cent; therefore, their capitalization ought to be practically $1,000,000 more than it is given. If we have to pay interest on that at 3 per cent, the cost, without the tunnel, is as high as the cost under the old plan with the shops on the main line of the Transcontinental.

I want to point out something further, and I may say here that it is very difficult to get at these things when information of this kind is given to me. I want to point out to the Prime Minister and to the Postmaster General, to show that there is a spirit somewhere that does not want the tunnel at Quebec. They can figure it out, but the plans given to me, and the statements given to me, show no connections between the Transcontinental

railway and its own shops, or with the Union Canadian Pacific railway station. If we take the correct figures, we find the capitalization at four per cent to be $3,206,250. The amount capitalized would be something over four million dollars. The tunnel will cost, at the very lowest valuation, at least $1,500,000, for it will have to be a double tunnel. The old scheme would cost $6,406,152, while the new scheme will cost $8,416,000, and the Grand Trunk Pacific Railway Company will be playing second fiddle to the other companies in the city of Quebec.

Now, Mr. Speaker, to conclude. I have discussed this question from higher than party motives; I have discussed it with the main object of showing that this report is unfounded and untrue in its chief findings. I have tried to show that the gentlemen who composed this commission had their views fixed, so far as the Grand Trunk Pacific railway is concerned, long before they ever were put on this commission; I have shown that one was an enemy of the policy, and the other, an enemy of the project. I have shown that they were totally unfitted, no matter what their other qualifications might be, to serve independently on such an investigation into the construction of the Transcontinental railway.

I have tried to show that the Government of Canada will not act on the findings of this commission, because every day of its life the Government of Canada is violating the chief findings of the commission. I have tried, as conscientiously as I could, and with as much force as I am possessed of, to show, particularly to the representatives from Halifax, St. John and Quebec, the result that may accrue to those great Canadian ports, if these hon. gentlemen are not alive to see to it that the high standard of the Transcontinental railway be restored, and restored immediately.

I have tried, as faithfully as I could, and in all earnestness and conscientiousness, to warn the Government against allowing this attack on the Grand Trunk Pacific directly, and indirectly on our great Canadian enterprises, to go unanswered and unchallenged. I have urged, and I urge again, that the Prime Minister should rise to the situation, and so far as the attack on this great undertaking is concerned, should denounce this report as unfounded, which it is, and which every man in Canada who has studied it, knows it to be. I have said that the legitimate industries of Canada and the legitimate undertakings of Canada are on a sound basis, and the financiers of the world need have no hesitation in continuing to invest their money in this Dominion. I have tried, feebly it may be, to tell the country and the financiers of the world that the men of Canada will stand side by side, the peers of any men in any country in the world, for honesty, for ability, and for integrity. It is in the interest of the people of Canada, rather than in the interests of party; it is in the interest of the great undertaking in which every man, woman, and child in Canada is concerned; it is in the interests of the British Empire itself, that nothing be done to loosen the bonds of confidence that exist between the motherland and the young dominions across the seas. Sir, it is in the hope that the Prime Minister of Canada will rise above his party; it is in the hope that he will rise higher than partyism, and repudiate a report which affects our national welfare and our financial standing at the present time that I make one more appeal to the right hon. gentleman.

I have spoken from conscientious motives; I have spoken at length; I have devoted much energy and time to a study of this question; and, in the years to come, if St. John, if Halifax, if Quebec, if the eastern part of Canada, do not receive the benefits they expected from this great enterprise, then the member for South Renfrew will have his conscience clear in the knowledge that he has done his duty in notifying and warning the people of this country, and the members of this Government, and the members representing these constituencies of what he conscientiously believes the evil result of all this will be.

Before taking my seat, Sir, I move, seconded by Dr. Pugsley:

> That the report of the commissioners appointed by the Government to inquire into the construction of the Transcontinental railway is so wilfully partisan and misleading as to be wholly unreliable; that the manifest object of the said commissioners was to misrepresent for party purposes rather than to investigate in the public interest, without regard to the serious consequences to the country or this great national undertaking; and that for the appointment of such commissioners, and for accepting and endorsing their report, the Government deserves the severe censure of this House.

At six o'clock, the House took recess.

The House resumed at eight o'clock.

Mr. W. S. MIDDLEBRO (North Grey): Mr. Speaker, at the outset I am sure that hon. members on both sides of the House will be pleased to know that I do not pro-

pose to occupy one-fourth of the time that has been occupied by my hon. friend from South Renfrew (Mr. Graham) in defending the policy of the late Administration and in attacking the report of the Commission now before the House. If I recollect aright, in commencing his speech he said that this report bore upon its face the imprint of partiality and unfairness, and that any one who read the report would come to the conclusion that it was a partisan one from beginning to end. He even went so far as to say that the report was so partisan and unfair that even members of the Administration and other hon. members on this side did not believe in that report themselves after perusing it. If that is the case, I can only say that I cannot comprehend for one minute why it has been necessary for the hon. gentleman to devote eight hours to attacking the report and to attempting to defend the late Administration. I venture to say that the hon. member for South Renfrew has never devoted the same amount of time, study and energy to any other speech in his political career that he has devoted to the speech he has just delivered. I want to congratulate him upon the physical energy he has displayed in delivering that speech. I do not know that I can congratulate him upon the contents thereof. His speech, from its length, in my opinion, was not intended to elucidate the question before the people of this country, but was intended to befuddle their minds. What the people want to know is this: First of all, what was the object of this railway; secondly, what were the promises and representations made at that time by the Government as to its cost; thirdly, what has been the cost of that railway; fourthly, what has been the reason of the excessive cost of the railway; and lastly, has the railway accomplished the purposes for which it was intended? If we can answer these five questions, we shall have solved the questions as to whether or not the report is a fair and impartial one, and as to whether or not the promises of the late Administration have been carried out.

Let us see what was the object of the railway. Sir Wilfrid Laurier, in introducing the measure into the House of Commons, stated that the primary object of the Bill for the construction of the National Transcontinental railway was to convey freight from East to West and from West to East at a reasonable cost; in other words, to make the cost so low that this railway would relieve the freight situation in the West; that it would facilitate the handling of traffic, and that it would do so at the least possible cost; that is, that this road would act as a regulator of freight rates from east to west. It was upon that assumption and principle that the people of this country approved the construction of a National Transcontinental railway. The Conservative party never opposed the construction of a National Transcontinental railway. They opposed the means and methods by which it was proposed to construct that railway, but they agreed that there was a need for a second national transcontinental railway.

I want to take up this question from two aspects. In the first place I will take up the representations made at that time by the Liberal Administration that this railway could be built for $13,000,000. I understand quite well that that statement was made by the then Prime Minister upon the understanding that what we would pay out over what we would take in would amount to only $13,000,000. It is upon that basis that I propose to discuss the first branch of this case. In discussing that, as it is ten years ago since these representations were made, I intend to give the quotations from 'Hansard' to show the representations upon which the people of this country ratified the Bill for the construction of the National Transcontinental railway.

On the 30th of July, 1903, Sir Wilfrid Laurier, at page 7676 of 'Hansard,' spoke as follows:

> Therefore let our friends on the other side of the House take note of this fact: That, with the exception of a few years' interest, to which I shall allude later on, we shall have this portion of the railway built by the Government from Moncton to Winnipeg without the cost of one dollar to the Canadian people. We shall receive interest upon the money advanced at the same rate, whatever we give with the one hand we shall receive back with the other.

I am fair to admit that the then Prime Minister meant by that statement, that we would receive 3 per cent upon the cost of construction of the eastern section of this railway and that we would receive 3 per cent rental in return after the interest for the first seven years, but that the interest for the first seven years which we would lose would be $13,000,000. Therefore he told the people of this country that $13,000,000 was all that it would cost for the construction of the National Transcontinental railway.

On page 7691 of 'Hansard' Sir Wilfrid Laurier spoke as follows:

The sum total of the money to be paid by the Government for the construction of that line of railway from Moncton to the Pacific ocean will be in the neighbourhood of $12,000,000 or $13,000,000 and not a cent more. Now, Sir, what is $13,000,000 in the year 1903—it is about our surplus of revenue over expenditure; the surplus for this year will pay for the construction of this road.

Again at page 7695, Sir Wilfrid said:

The cash subsidy which is promised and which is to be given under this contract to the Grand Trunk Pacific Company will not exceed $13,000,000 or thereabouts. Now, Sir, I think under the circumstances that I can appeal with some confidence to the judgment of the House to ratify, and to ratify with earnestness and with joy, the contract which I have the honour to lay upon the table.

This was followed by a speech from the Hon. Mr. Fielding. I shall not read his quotation because it is too long, but it was simply to say that he corroborated all that Sir Wilfrid Laurier had said. A report by the Globe of this speech concludes as follows:

When Mr. Fielding sat down at 11.20, after speaking for nearly four hours, there was a tumultuous outburst of cheers.

As these statements were made in Parliament, there was a sufficient justification for the people of this country to believe that the total cost of the National Transcontinental railway would be $13,000,000. That statement was followed up by the authorized and revised version of the campaign literature which was placed before the public in 1904. I remember that literature quite well, because in 1904 it was like butting up against a stone wall to run up against the policy of the Government of the day, namely a National Transcontinental railway for $13,000,000. On a page of that pamphlet in large black type, there was the following heading:

A Transcontinental railway for $13,000,000. It is an actual fact, an indisputable fact, that $13,000,000 will cover every cent of the country's expenditure in connection with this railway.

I have in my hand a copy of the Owen Sound Advertiser of 1904, the Liberal organ in my riding. I am going to quote from the speech of the Hon. A. G. MacKay, formerly Minister of Crown Lands in the Ontario Government and late leader of the Opposition in the Ontario Government. Let us see what he said to the people of my constituency upon that occasion.

Referring to the Grand Trunk Pacific railway scheme, he dealt effectively with the question, showing what would be the result of Government operation of the road. He then went on to ask where would the estimated cost of the road, $13,500,000 be when this railway went through as a colonization road and opened up 16,000,000 square miles of country growing valuable spruce which will be increased in value in this way? The money necessary for its construction could be borrowed in England for 3 per cent, and as the Government would receive an equivalent of 3 per cent rental from the Company it was simply a matter of receiving the money from the Company with one hand and paying it out with the other on the interest and it was no hard or expensive business to transact.

I am therefore perfectly justified in saying that no matter what the present leader of the Opposition meant when he spoke in the House as I have stated, certainly the country believed that we were going to get a national transcontinental railway for $13,000,000. I am going to take the right hon. gentleman at his word; I am going to compare what he now says was his meaning with the facts and figures as they exist to-day. I am going to make my computations upon the basis of four per cent, and I will give the House the reason why. I have taken the trouble to ask the Finance Department what is the rate of interest that we have paid on all that portion of the national debt which has been paid off in the last ten years, what is the rate of interest which we will have to pay on that portion of the national debt which we will pay off in the next ten years, and what is the rate of interest which we will pay for the loan of $25,000,000 which we raised the other day. I think hon. gentlemen will agree that that is a fair way of getting at the root of the matter. What are the facts? My questions were as follows:

What is the average rate of interest paid on that part of the national debt which matured in the last ten years?

The answer was 3.82; we will say 3.83.

What is the average rate of interest paid on that part of the National debt maturing in the next ten years? and the amount of said debt as maturing?

The answer was 3.74; we will say 3.75. Our last issue of $25,000,000 of 4 per cent bonds sold not at par but at 99, which means that we are paying more than 4 per cent for them. The Finance Department tells me that it cost .23 per cent for commission, brokerage and expenses of loan. If you add .23 per cent to 3.83, the cost of the loans which expired in the last ten years, you have 4.06. If you add .23 to the cost of the national debt which will expire in the next ten years, you have 3.98, and the cost of the loan which we have just put through, adding .23 per cent for brokerage, commissions, is 4.25. The cost of the three loans, the $27,000,000 which will mature,

the $38,000,000 which did mature within the last ten years, and the $25,000,000 which we have just put through averages 4⅛ per cent. So that in reckoning the cost of the National Transcontinental railway to the people of this country, I am justified in saying that it is costing us 4 per cent. If we had the money we could pay off a portion of our national debt and save 4 per cent; if we have not the money we have to pay 4 per cent to get it.

According to the statement of the commission, which the hon. member for South Renfrew does not deny, the cost of the Transcontinental, with interest computed to date of its completion, will be $181,000,000. I placed it at $180,000,000 before I got these revised figures. For the first seven years, as we all know, we make an absolute and complete gift to the Grand Trunk Pacific railway of seven years interest on $180,000,000, which, compounded at 4 per cent, amounts to $56,867,000. In addition to that, we pay interest on the bonds of a portion of the cost of the mountain section at 4 per cent for seven years, making a direct gift to the company of $13,473,000. Then, because of a blunder which was made by the late Administration by reason of the contract with the Grand Trunk Pacific being improperly drawn up, we were led into another expenditure in connection with the implementing of the bonds of the western section which, notwithstanding the efforts made by the Finance Minister, will cost us $10,000,000. At the end of the ten year period we will be getting three per cent on that $180,000,000 and paying four per cent. If you capitalize the difference of one per cent on the cost of the railway—because we get only three per cent rental—you have $45,000,000 more. What does it all mean? It means that instead of the $13,000,000 which the present leader of the Opposition said this railway would cost the country, taking it upon his own basis the amount is $125,000,000. I defy any member on the other side of the House to say that these figures are wrong. $125,000,000 is the pure gift which we make to this company, which we do not get back, and for which we have no recourse. I hope hon. gentlemen will all understand that this amount does not represent the cost of the railway; that is the figure which the hon. member for South Renfrew said was a bonus or subsidy. Did you ever hear the question of bonus or subsidy mentioned when hon. gentlemen opposite went to the country in 1903? Did they tell the people at that time that they were going to give the company a straight gift of $125,000,000? The hon. gentleman said that we should consider that as a bonus or subsidy to the Grand Trunk Pacific Railway Company. Taking his own argument, we have a subsidy of $125,000,000 for 1,800 miles of railway, $75,000 a mile. Hon. gentlemen will see, therefore, that my hon. friend has not been fair; he had not figured it out; he did not think what he was saying when he said we were giving that interest as a subsidy to the Grand Trunk Pacific Railway Company. He did not know that he was telling the people of this country that we were giving them a subsidy of $75,000 a mile, besides building the railway ourselves.

I now propose to deal with the cost of the railway. In order that there may be no mistake about this matter, I will quote again from 'Hansard.' On July 30, 1903, the then Prime Minister (Sir Wilfrid Laurier), spoke as follows in this House:

> It is our duty to provide immediate means whereby the products of these new settlers may find an exit to the ocean at the least possible cost.

'At the least possible cost' solves the whole question. If these means are not obtained at the least possible cost, you cannot get the volume of trade; if your rates are too high you will not get the traffic. The means of transportation, must, therefore, be obtained at the least possible cost if the railway is to fulfil the purposes for which it is being constructed. He goes on to say:

> To those who would advise to pause, to consider, to reflect, to calculate, and to inquire, our answer is: No, this is not a time for deliberation, this is a time for action. The flood of tide is upon us that leads on to fortune; if we let it pass, it may never recur again.

That is what M. P. Davis said when he got contracts 16 and 17: The flood of tide is upon me that leads to fortune; if I let it pass it may never recur again. So he kept hold of contracts 16 and 17, the flood of the tide of fortune. For eleven months the tide was dammed back, and when it receded it left upon the sands of time the sum of $740,000 for M. P. Davis. The flood of tide was indeed upon him; if he let it pass it might never recur again. Then my right hon. friend went on to say:

> We cannot wait, because time does not wait.

But M. P. Davis waited for a year

> Time lost is doubly lost—

M. P. Davis evidently thought that time lost was doubly gained so he held these contracts for a year. (Reading):

It is not of to-morrow, but of this day, of this hour, of this minute—Heaven grant that it is not too late.

And no man echoed that sentiment more fervently than Mr. M. P. Davis, when he got his $750,000 for nothing.

But that is not all. In the same debate Sir Wilfrid said:

It has been stated and restated in all possible tones from the faintest wail to the indignant protest, that we are launching into railway construction of gigantic magnitude through a country of which we know absolutely nothing and without taking the usual elementary precautions of having a previous exploration. I say again there is not a shadow of truth in this charge as I shall show later on.

But I have to say this more, that we have a wealth of information on the subject; we have more information on this scheme than ever was possessed by former governments when they decided upon the Intercolonial or the Canadian Pacific railway.

But I shall be asked what about the Rocky mountains? My answer in regard to the Rocky mountains is: that we have mountains of information, we have mountains of books, pamphlets and reports from traders, from explorers and from engineers.

Any one who to-day would care to look into the reports now accumulated in the Archives or the Railway Department will know that country just as well as he will know his own home.

That is what Sir Wilfrid said. But what did Mr. Blair say? Mr. Blair, the man who was at the head of the department, the man who knew what he was talking about; Mr. Blair the man who was not consulted when this contract was entered into or when the Government was committed to it, because he did know what he was talking about; Mr. Blair who resigned from the Government because he would not commit himself to this foolish expenditure without the necessary information. And what did Mr. Blair say?

He was not in favour of impetuously rushing into the construction of the Transcontinental railway above Quebec through an unknown country to Winnipeg and the West until we knew something about it, until we had the fullest possible information about it.

So that we have the late Government representing themselves in this position: We know all about that railway, we know all about that country, we know it as well as we know our own homes; we have had engineers out there, we have taken the necessary borings, we know the kind of material, whether rock, hard pan, clay or common excavation; we know all about it, we have mountains of information, and we tell you, knowing that, that this railway will cost, according to the usual subsidy requirements, with a grade of one per cent and a curvature of not more than ten per cent, $49,132,000.

But, said Mr. John Charlton, when we are going to build a Transcontinental railway that kind of a railway will not do. It is all right enough on the ordinary subsidized railway to require grades of one per cent and a curvature not exceeding ten per cent, but we want a first-class railway, we want a railway with a grade of ·04 per cent and 4 per cent maximum curves. That is the kind of railway Mr. Charlton speaking in this House said he wanted, and that is the kind of railway that the then Minister of Finance, after revising his estimate and adding twenty-five per cent, said he would give the people. What did Mr. Fielding say?

I propose to add 25 per cent to my first estimate of the cost of construction of the eastern division, and to add 25 per cent to the present value of seven years' interest on that portion of the road. This is equivalent to an advance on the cost of $21,000 to $31,000 a mile on one part and from $25,000 to $35,000 for another part. That is a pretty liberal estimate and ought to build the kind of road called for by the hon. member for Norfolk.

Referring to the late Mr. John Charlton. That was a road with a ·04 per cent grade and a four per cent curvature. So we were there informed by the late Government that that was intended by them, and in the same year, after the Amending Act of 1904 was passed we find that the instructions given to the engineers bear out this idea. The report of Mr. Lumsden, June 30, 1905, is contained in the report of the Railway Commission for the year before, that is from June, 1904, to June, 1905. The instructions therein were as follows:

District engineers were furnished with printed instructions for their guidance and for that of the engineers in charge of parties under them, giving full particulars as to their various duties. They were also instructed to adhere to grades not exceeding 0.4 per cent adverse eastbound or 0.5 per cent adverse westbound although in regard to the last mentioned it was changed to 6 per cent in one or two exceptional cases, the maximum curvature being limited to 4 degrees.

I point that out for this purpose. The hon. member for South Renfrew (Mr. Graham) devoted eighteen columns of 'Hansard' for the purpose of proving that they had a ·04 per cent gradient and a four per cent curvature on the National Transcontinental railway and therefore his assumption was that it cost more than it would have otherwise cost; when, as a matter of fact, we were promised in the

beginning, and the instructions were given to the engineers that we should get that grade and that curve and yet we were told it would cost only $61,000,000. So we may wipe out the seventeen pages under that head, as we are simply getting the kind of railway we were told we would get for $61,000,000, and that does not account in any way for the greater amount that this road has cost the country over the estimate. I want to say that at the time this contract was brought before the House, as I said before, the Conservative party did not oppose it, but we did move several amendments. One amendment, for instance, was that the rental of the eastern division should be secured upon the property of the Grand Trunk Pacific railway. You will understand that, as the situation is now, if the Grand Trunk Pacific did not pay the rental on the 1,800 miles of the eastern division, we would have no lien whatever on the western division for the payment of that rent, and no lien upon the Grand Trunk railway itself, which is supposed to be behind this thing and which, as Mr. Fielding said, was to be in it and of it and form the whole thing. We moved another resolution that, as the Grand Trunk railway was getting all the benefit from the Grand Trunk Pacific contract, the Grand Trunk Railway Company should therefore assume the obligations. That was voted down. We moved a great number of amendments with the object of bettering the conditions of this contract, which were all voted down, but we never opposed the construction of the railway itself. Now what do we find? Notwithstanding that we were to get the same kind of railway which my hon. friend from South Renfrew says we are getting to-day, for $61,000,000, it is costing five times that much. That means at 3 per cent a rental of $5,400,000 a year, or $14,800 a day, or $616 an hour. Now let us see in detail what the railway is to cost the country, taking it from a capital point of view, that is the cost of the railway itself to Canada. In the first place we have $180,000,000. Then we add to that seven years' interest at 4 per cent, which is $56,857,720. Next we have seven years' interest on the mountain section amounting to $13,472,099. Then, the implementing of those bonds which cost the country $10,000,000, that makes $260,339,819. In the next place we have to pay the difference between 3 per cent and 4 per cent, that is one per cent, on $180,000,000 for all time to come, and that capitalized makes $45,000,000 more. That makes $305,339,819. I add to that the cost of the Quebec bridge because, notwithstanding what my hon. friend from South Renfrew says, I have come to the conclusion that the Quebec bridge is more useful for transporting trains over the St. Lawrence than the armouries that are being built by the Minister of Militia, and it would not have been built had it not been for the National Transcontinental railway. So I add the cost of the Quebec bridge, $23,314,099. I do not know whether I should say anything about the Quebec bridge, but I would like to say this. My hon. friend says it should not be included as part of the cost of the National Transcontinental railway. I am free to admit that Sir Wilfrid Laurier did not include it in his estimate of what the road would cost, nor did Mr. Fielding include it, but I think the people of the country will come to the conclusion that it should be included; and in view of the fact that Mr. Fielding included part of the cost of that bridge I think that is another reason why it should be included. My hon. friends on the other side should not be very proud of their record in connection with that bridge, at any rate. In the first place, the contract was given to a local company of political friends, the whole paid-up capital of which was only about $40,000, to build a bridge estimated to cost $8,000,000 or $9,000,000. They gave the contract to a company of that kind, who only put $40,000 into it, one-half of which was paid out in directors' fees attending the meeting. The company, of course, was unable to finance the work and asked the Government to finance the bonds, which it did to the extent of something like $6,000,000. The Quebec bridge through the fault of some one—I do not say the Government—fell into the river at a time when the Government had guaranteed the bonds of the worthless company, and the Government had to put up $6,000,000 themselves, for which they have never got a cent to this day. The bridge is lying in the bottom of the river; perhaps I should not say that, because the Government had to pay $50,000 more to take the scrap iron out of the river. That is the history of the Quebec bridge, except this: that the estimated cost of the Quebec bridge including what has fallen in the river, what we have spent to date, and what will be necessary to complete it, is $23,000,000, nearly twice as much as Sir Wilfrid Laurier said the whole National Transcontinental railway would cost. Including the Quebec

bridge I have now the cost of construction up to $328,000,000. If I am wrong in these figures I want hon. gentlemen on the other side to correct me, but I may say that I have verified them. What has cost the country $328,000,000 in cash is going to produce this company a rental of $5,400,000, that is a return of 1.63 per cent on the capital cost, assuming that the Grand Trunk Pacific are able to carry out their obligations when the time arrives. But that is not all. We are not satisfied with putting up $328,000,000 in cash. We have guaranteed the bonds of the mountain section to the extent of $56,000,000 more, and we have guaranteed the bonds of the prairie section to the extent of $11,000,000 and given them a loan of $10,000,000 as well. So that the total obligations we have assumed in respect to the eastern section and guaranteeing the bonds of the western section, amount to $406,000,000. Just a word in reference to the $328,000,000 that we will have paid out in actual cash of the people of this country for the National Transcontinental railway and the Quebec bridge. The whole national debt of Canada on the 1st of this month was only $317,165,000, so that we have the amazing spectacle of having to pay out for the National Transcontinental railway in cash $11,000,000 more than the whole national debt of Canada and what have we got for it? No probability of reduced rates.

These figures are made upon the assumption that the Grand Trunk Pacific are going to carry out their obligations. Let us see whether it is probable that they will carry out their contract. They will have to make a sum sufficient to pay working expenses, betterments, and general maintenance of the road, and above that a clear profit of $5,400,000 for rent on a bald 1,800 miles of railway running through a new and practically uninhabited country. Is there any probability that they will be able to do that? If you look at the report of the Canadian Pacific railway of last year, you will find that, with a total mileage of 12,000 miles, and running through all the populated districts of our Dominion, with all its vast resources, with the experience it has gained and the customers it has made during the many years it has been in operation—even with all those advantages their working expenses are equal to two-thirds of the gross revenue of the company. If you put the Grand Trunk Pacific railway, the eastern section of which runs through more or less barren country, on the same basis as the Canadian Pacific railway, that portion of it will have to earn $16,200,000 in order to enable the Grand Trunk Pacific to carry out its contract and pay 3 per cent on the cost of construction of 180 millions. Is there a sane man in this room who believes that railway can do anything like as well as the Canadian Pacific railway? I think I am quite safe in saying that for the first ten years of its existence it will not be able to pay more than its working expenses, and for that reason I am quite justified in saying that for the last three years of the ten year term the rental would not be paid; the contract provides that if they are not able to provide this 3 per cent interest over and above their working expenses, they are allowed to capitalize that portion of the 3 per cent which they are not able to earn above the expenses, and they will, no doubt, do so under the terms of the agreement. Upon that basis, capitalizing three more years will amount to $21,600,000. Capitalizing three more years interest of the mountain section bonds—and they are allowed the same privilege with respect to that—will give $11,250,000 more. Add that to the above cost of $328,000,000 and you get $361,000,000 which would be a charge against that road at the time that we could first take possession of it, upon default. In addition to that, we have guaranteed their bonds to the extent of $78,000,000 making a total liability in cash and bonds against the road before we could enter into possession of it, of $439,636,000. I think I am safe in assuming that they will not carry out their obligations in that respect. When we have arrived at that point, when we have spent $328,000,000 in cash and have guaranteed bonds to the extent of $78,000,000 at the end of the ten years whom have we got for our lessee? Have we got the Grand Trunk railway? No, we have the Grand Trunk Pacific. And who are the Grand Trunk Pacific? How much have they paid into the treasury on account of this great national undertaking? You would think that in an undertaking running up into the hundreds of millions we would be dealing with a company worth something commensurate with those figures, but what do we find? According to a return which was brought down we find that the Grand Trunk Pacific was composed of seventeen promoters who put in $400 each, making

$6,800, and the Grand Trunk, not the Grand Trunk Pacific, paid in less than $200,000. That is, we have as our tenant a company which has only paid $206,000 and we are handing over to them a road which will have cost us in cash $328,000,000 and a guarantee of $78,000,000 as well. If the road does not pay, if they cannot pay the rent they simply drop out and that is the end of it. You cannot get blood out of a stone. That is why we moved that as the Grand Trunk were getting all the benefit of this contract they should guarantee the payment of the rent. We made a motion to that effect but it was voted down by my hon. friends opposite, so that we may be in the position of having a worthless tenant against whom we have no recourse, if we cannot get the money out of the road itself.

It has been said over and over again that the construction of the National Transcontinental railway was a partnership between the Government and the railway. Let us take it upon that basis. The element of partnership, as I have always understood it, is a ommunity of interest, a community of profit and the profit is the determining element in the partnership according to the amount of money that each party to it has invested. In the present instance we will have invested $328,000,000 by the Government and the Grand Trunk will have guaranteed bonds to the extent of about $20,000,000 for the Grand Trunk Pacific. Let us see how the profits are and how they will be divided between the two parties, the Government on the one hand and the railway on the other. This is a contract that was drawn by the late Administration. Let us see what the Grand Trunk Pacific and the Grand Trunk Railway Company get out of this contract as compared with what we get out of it. This is what I call the great divide.

First, they get one per cent interest on $180,000,000 of the cost of construction because we pay four per cent and they give us three per cent and that one per cent capitalized is $45,000,000.

Second, we give them a clean gift of rent for the first seven years of the eastern section which is the equivalent of $56,867,000.

Third, we gave them a clean gift of interest on the mountain section bonds amounting to $13,472,099.

Fourth, we had to make them a gift of $10,000,000 to implement their bonds.

Fifth, we gave them a guarantee of $67,133,000 on their mountain section bonds to enable them to build the mountain section.

Sixth, we gave them permission to capitalize three years rent and interest after the first seven years, to the amount of $24,633,000.

If we take over the road after we have paid $328,000,000 upon it, under the provisions of the contract, we keep it for how long? We keep it under the contract until the road becomes a paying concern and then we hand it back to the Grand Trunk Pacific. The Grand Trunk Pacific keep it how long? So long as it is profitable, as it is able to pay the rent. When it does not pay the rent what becomes of the road? It comes back into the hands of the Government again. How long do we keep it? Until such time as the road becomes profitable and back again it goes into the hands of the company. It is a case of heads I win and tails you lose for all time in so far as this contract is concerned.

But that is not all. We allow the Grand Trunk railway to take $25,000,000 of the common stock of the Grand Trunk Pacific as a present without paying anything for it, to keep it and to do as they like with it. They have a perfect right to take that $25,000,000 of common stock and sell it, put it on the market. It gets into the hands of bona fide holders and they may pay any price they like for it. We allow the Grand Trunk to get this $25,000,000 of common stock, we pay $328,000,000 and they put up a guarantee of $20,000,000—an unfair division of the liabilities and the profits. We put up $328,000,000 in cash as against a $20,000,000 guarantee, they take the whole of the $25,000,000 and we get none of it. Again, I say, it is a case of heads I win, tails you lose.

Not only that, but we have allowed them to construct separate branch lines from the main line. They have built separate branch lines themselves, and we have no security from them on these lines. For the construction of the lake Superior branch line they received the following sums by way of assistance:

Dominion of Canada cash	$1,209,000
Provinces cash	378,000
Municipalities cash	350,000
Ontario Government land grant, 675,000 acres at $2 per acre	1,350,000

For this branch line therefore from lake Superior Junction to Fort William, they received in cash and land grant $3,287,000. What for? To tap the freight which would naturally go by way of our own line through the province of Quebec, to allow

it to go down over their own line to Fort William and thence by boat, thus robbing our own line of that trade. But if we had to take over the line of the National Transcontinental railway we would find ourselves in this position, that they keep their lucrative western lines and their branch line to Fort William and elsewhere, while we keep the unremunerative line running through Quebec, and we cannot help ourselves. That is the kind of contract that they have made for us.

But that is not all. Perhaps this does not directly affect the question, but it does more or less. They allowed the Grand Trunk Pacific, which is a railway company and not a contracting company, a company that never turned a shovelful of earth in connection with railway construction in its life, to come in, tender, and receive contracts for the construction of this road to the extent of $17,000,000. They did not do a single thing in the way of carrying out the contract at all, but they got a straight commission of 5 per cent, and in that way they received a rake-off of about $850,000 clear to themselves—another instance of why that road is costing so much money.

At what point are we now? We have arrived at the point where we must consider whether or not we can accomplish the object we had intended, and that is cheaper transportation. What have you got for the purpose of effecting cheaper transportation? You have 1,800 miles of railway costing over $180,000,000, and according to the figures of the hon. acting Minister of Railways and Canals, costing $102,000 a mile. Do you think that a railway costing $102,000 a mile is going to help you cheapen freight rates in their country? Do you think that a railway that has cost that amount of money will cheapen freight rates when you have no control whatever over those freight rates, that shall be charged not only on the western section but also on the eastern section, except what is provided by the common law of the land through the Railway Commission. There was no reservation made as to freight rates. You have no justification for asking the Grand Trunk Pacific to lower its rates on a railway which is costing $102,000 a mile if its earnings will not justify a cut. Therefore, I say that we have not done anything to cheapen freight rates.

Now let me give you a few figures in reference to the Canadian Pacific railway. The hon. member for South Renfrew (Mr. Graham) gave a few figures this afternoon, but they were all argumentative and based upon a certain assumption. I want to give you some figures that I have taken from authoritative sources. I want first to show what the cost of the Canadian Pacific railway system was in 1886.

Canadian Pacific Railway borrowed	$44,250,000
Took over from Government railway estimated at	35,000,000
Proceeds of sale of land and townsites	13,500,000
Common stock amounting to $65,000,000 sold realizing	30,000,000
Rental leased lines, capitalized	25,000,000
Total	172,750,000

This is the amount that the Canadian Pacific railway paid for 4,500 miles of railway. In other words, in 1886 they had a railway which cost them $38,300 a mile, as compared with $102,000, the cost of the National Transcontinental railway. But somebody will say: That is not a fair comparison; you should take the charges that are against the Canadian Pacific railway and compare them with the charges against the National Transcontinental railway, by which I mean the funded debt, mortgages which are charged against the property itself in the one case, and compare that with the funded debt and mortgages which are charged against the property in the other case. Well, let us take it on that basis. The Canadian Pacific railway has 12,000 miles of railway with a funded debt of $235,000,000. That is $19,500 a mile. In that is included steamships, but I will give you the benefit of that. The Grand Trunk Pacific, with 1,804 miles on the eastern division has a funded debt of $180,000,000 on the western section and the lake Superior branch, according to Poors Manual for 1913, which is the best railway authority upon these matters, the funded debt is $126,000,000. These figures show $306,000,000 of a funded debt against 3,799 miles of railway, or $80,000 per mile funded debt on the Grand Trunk Pacific, as compared with $19,500 per mile on the Canadian Pacific railway. But, said my hon. friend from South Renfrew (Mr. Graham), that is not fair; give us all the debenture stock, common stock, preference stock, and all other stock standing against the Canadian Pacific railway, and compare that with all the stocks and bonds of various kinds against the National Transcontinental railway, and let us see how it stands. Well, let us see; let us take the debenture stock, common stock, preference stock, and all other stocks of the Canadian

Pacific railway. The funded debt of the Canadian Pacific railway is $235,000,000, the preference stock $74,000,000, the common stock $260,000,000, or a total of $569,000,000. Deduct $23,000,000 from that for the steamships, because there are no steamships connected with the Grand Trunk Pacific, and it leaves $546,000,000 of all kinds of charges against the Canadian Pacific railway, or about $45,500 per mile.

The Grand Trunk Pacific has a funded debt of $306,000,000, preference stock $20,000,000, common stock, $25,000,000, and I think I could add $20,000,000 more for the stock they have issued themselves, and which we have not guaranteed in any way, and that makes a total of $371,000,000 or practically $100,000 per mile, or, more than double that of the Canadian Pacific railway.

Take it in any shape you like, and you find yourself in this remarkable position, that, while you are building the Transcontinental railway for the purpose of cheapening rates, it has cost more than double what the Canadian Pacific railway has cost, and we have been complaining that the rates on the Canadian Pacific railway are too high. I think I am safe in assuming that by the construction of the Transcontinental railway we will get no relief from high rates in the West.

Let me see what has been the reason for the excessive cost of construction of the eastern section of the Transcontinental railway. I make the charge, notwithstanding what has been said by my hon. friend (Mr. Graham), that one of the elements which has entered into the excessive cost of this railway is the manner in which the tenders were called for and the contracts let. There are twenty-one contracts, covering the entire length of the eastern section of the Transcontinental railway, and let us see what were the conditions imposed on the tenderers. I should have thought that the proper way to have proceeded would have been to divide the work into fifty-mile sections, but the Transcontinental Commissioners divided it into sections to suit themselves, and they provided that the tenderers should not only put up a cash deposit with their tender, but that they should put up such further security as the commissioners might require, not exceeding thirty-three per cent; and they said to the tenderers: if you do not put up that thirty-three per cent security within ten days, you will be liable to forfeit the deposit you have already put up in cash. What position would that put the contractor in, who was not a favourite of the commissioners, who did not stand in with them, and who was not on the inside track? The tenderer knew that if he got the contract and was not persona grata to the commissioners, the commissioners would say to him: here is your ten per cent or whatever deposit you have put up, and if you take this work which will cost six million dollars you will have to put up a further security of two million dollars within ten days, and if you do not do so you have to forefeit your ten per cent deposit. Well there are not many men in Canada, who, taking a six million dollar contract—and one man took a thirteen million dollar contract—who could put up not only a deposit of five or ten per cent on that, but who could within ten days put up security for one-third the contract price, or two million dollars.

Now if these commissioners had insisted on these terms in all cases, that might have been some excuse for them, but what did they do? At page 21 of the report is set out the twenty-one tenders, covering the whole National Transcontinental railway eastern section, and I find that the total amount of these tenders for grading was $65,000,000. I find that the total amount of the deposit put up was $2,285,000 or four and one-third per cent of the contract price. The amount which the commissioners could require the contractors to put up, in addition to that, was $21,727,000; but, strange to say, the amount which they actually did require these favoured contractors to put up in all, was only $4,239,000, or six per cent. In other words, the commissioners said to those who tendered: you must put up four and one-third per cent deposit in cash, you are liable to put up thirty-three per cent more, but, as a matter of fact, when we know whether we have favourite contractors or not, we will only exact six per cent in all.

9 p.m.

The result of this was that for nine contracts, which covered one-half the line, only five firms tendered. In one case there was only one bid, while in all the others there were only two bids, and the result was that M. P. and J. T. Davis secured 204 miles; M. J. O'Brien secured 246 miles, and the Grand Trunk Pacific Company secured 256 miles.

And, having so advertised the contracts, that only the very richest contractors could undertake the work, what do we find? We find that contracts were sublet to 100 subcontractors, and we say that if the condi-

tions had been reasonable, there would have been more tenders put in, there would have been more competition, and many of these 100 sub-contractors would have tendered in the first instance, and would have done the work at the lower price which they got from the head contractors, in the second instance as sub-contractors. My hon. friend (Mr. Graham) entered into a tirade against the report of the commission because it referred to the sub-contracting. I have no fault to find with sub-contracting, and the charge made is not what my hon. friend seems to think. The charge is: that the Transcontinental Commissioners let the contracts, in the first place, in such a way and with such onerous conditions, that only a certain favoured few could tender, and having done that the commissioners allowed these favoured contractors to assign the contracts to the men who should have got the work in the first instance.

Let me give an example of this: in contracts Nos. 16 and 17, the contract price which the contractor eventually received was $7,400,000, and that contract was allowed to remain untouched for a period of eleven months. The work was in a portion of the country which, at the time the contract was let, was inaccessible to a very great extent, and consequently the tender prices were very materially higher than would otherwise have been the case. The successful tenderers were M. P. and J. T. Davis, and the commission allowed that contract to remain untouched for about a year, when the other ends of the railway being closer to the work, and the work having become more accessible, M. P. Davis, without doing a single tap on the job, in any way, shape, or form, was able to sell his contract to another firm, at a clean profit of ten per cent. He was able to sell that contract to Mr. O'Brien, at a profit of ten per cent, which amounted to $740,000 and he did that without doing a single stroke of work. In addition to that, he was paid six per cent on his deposit, during the whole time it remained with the Government. I will read Mr. O'Brien's evidence on that point, and the hon. member for Renfrew has been good enough to admit this, because he could not help it. He is quite ready to admit what is in black and white and what Mr. O'Brien himself swears to.

Mr. GRAHAM: That seems reasonable.

Mr. MIDDLEBRO: My hon. friend from St. Antoine (Mr. Ames) reminds me that when Mr. Davis got his contract and when he was allowed to wait for a year without doing a single stroke of work on it, he started to hawk it about and to endeavour to sell it like any other commercial commodity.

He had a good thing from the commission and he knew it. He had good prices. He started to hawk the contract around. He said to one man: I will give you the contract if you will give me 20 per cent. He offered it to another man if he would give him 15 per cent. At last he gave it to Mr. O'Brien for 10 per cent. I will read Mr. O'Brien's evidence at page 529 of the report:

Q. When you took these contracts Nos. 16 and 17 east of lake Nipigon, off the hands of Davis & Company, did you go over the work?—A. We sent a man over it.

Q. And you looked over it?—A. Yes.

Q. And you made a bargain with Davis to take it off his hands?—A. Yes.

Q. Were you substituted for him in the contract or are you sub-contractors under him?—A. I think if my memory serves me right, that we just stepped into Mr. Davis' place.

Q. And his security remained?—A. Yes.

Q. Did you put up any security?—A. Not in that case, we are paying our share of the amount.

Q. What do you mean by saying you are paying your share of the amount?—A. We would have to pay that money anyway.

Q. Do you mean to say that you pay the interest on the deposit?—A. Half of it.

Q. And you also pay Mr. Davis 10 per cent on the gross?—A. Yes.

Q. How much more did you pay him?—A. That is enough, I suppose.

Q. I think so, but I was just wondering how generous you might be?—A. It is conceded that I am generous.

Q. On that work which you took from Mr. Davis, do you think you will have a fair profit?—A. Yes, I think we will make a fair profit.

Q. You took the contract after sending a man over the work?—R. Yes, sir.

Q. Did you negotiate this bargain with the Davises?—A. Well, I concluded it in Montreal.

Q. When you negotiated with the Davises, did they want any more than 10 per cent?—A. Yes.

Q. What did they ask you?—A. 15 per cent, I think.

Q. Did they also ask you to pay interest on the deposit?—A. Well, you see it was like this: Mr. Davis' deposit was up. His deposit is there yet. I said to them, the first thing to do was to leave that undisturbed, the commission is paying 3 per cent for this deposit, and the money will cost us more. Of course we could not get it for 3 per cent so I suggested myself paying the other 3 per cent, which made 6 per cent and it cost Mr. Davis nothing. My suggestion was accepted and that is the way it stands.

Q. So that you and the Government are paying the interest on the deposit?—A. Quite true.

Q. And Davis gets clean and clear 10 per cent on the gross cost of the work?—A. Yes.

Q. How did you bring him down to 10 per cent and give away half a million dollars difference between the 10 per cent and the 15 per

cent?—A. We would not give him more than that and besides there were others who were negotiating as well as us and they were not offering as much, so that I think we went a little better to get the work.

Q. As compared with the prices on the adjoining contracts, how do the prices on contracts 16 and 17 compare?—A. I think they compare favourably with the prices on the adjoining works.

Q. That is to say they are higher?—A. That is what I mean.

Q. You could afford to pay Davis 10 per cent on the gross cost and still make as well out of it as you did on the adjoining works?—A. That is my recollection of the figures.

Q. That is the way you viewed it?—A. Yes.

Yet my hon. friends wonder why the Transcontinental railway has cost so much. When they can let the contract in such a manner, on such terms and allow the contractor to hold the contract over for a year until the prices come down to such an extent that he can make $740,000 without doing a single turn and then hand it over to Mr. M. J. O'Brien who can still make a reasonably fair profit on the work, is it any wonder why the Transcontinental cost so much? As I said before, the Grand Trunk Pacific, backed by the Grand Trunk, came in and took $17,000,000 worth of the contract. What for? Are they behind the commission too?

Have they the favoured entrance? Are they, with the Grand Trunk, the firm that can put up the money? They have never built a line of railway; they have never owned a shovel or a wheelbarrow. They did not build a foot of the Grand Trunk Pacific although they took $16,000,000 or $17,000,000 worth of the contract. They simply came in as the favoured contractor who could put up a deposit; they signed their name and handed the contract over to the man who did the work and took a rake-off of $850,000. Yet my hon. friends opposite ask why the Transcontinental railway has cost so much. It was partly due to their unbusinesslike way in calling for tenders.

Let me give you another instance of why this railway has cost so much. I do not intend to give many of these instances because they become tiresome, but I will just give one or two instances to show what I mean. Contract No. 11 was called for in the usual way. There were several tenders on the contract. The lowest was that of the Grand Trunk Pacific at $1,691,000. The next lowest tenderers were Macdonell and O'Brien at $260,000 higher. Remember that. The Grand Trunk Pacific did not do any work. They never intended to do any work, and they immediately began to look for somebody to whom they could hand over the contract. They sold the contract to whom? To the man who had bid $260,000 higher on a contract of $1,691,000. Macdonell and O'Brien said: We will throw off the $260,000; we will come down to your figure of $1,691,000 and will give you 5 per cent as well. They gave the Grand Trunk Pacific $105,000 to step out and then according to their own evidence, they made a profit of $500,000. Is it any wonder that the National Transcontinental railway has cost $100,000 a mile, when this is the manner in which the contracts have been let?

Mr. MORPHY: Does that principle run through all the work?

Mr. MIDDLEBRO: Yes. Perhaps one of the easiest ways of making money is for the engineer to certify that the common excavation is solid rock, and that is one of the hardest things to detect. If the engineer says that, he converts thirty cents into $1.50 for every cubic yard of material he certifies in that way. The strangest thing about this contract is, that, notwithstanding the fact that the Government had stacks of information, that they knew this country as well as they knew their own home, in almost every instance the estimated amount of common excavation largely was converted into solid rock. Here is one instance. In contract No. 10, the estimated solid rock was 779,000 cubic yards. By some inconceivable means that was converted into 2,712,000 cubic yards or four times as much as the estimate. Do not forget, however, that excavation in solid rock is worth five times as much as in common clay. The excavation in loose rock was estimated at 211,000 cubic yards. That was converted into 1,513,000 cubic yards. Then they estimated that there were 4,242,000 yards of common excavation; but because common excavation is poor paying work, they got that down to 1,501,000 cubic yards. So far as the quantity is concerned, they were fairly accurate. The estimate of the total quantity was 5,233,000 cubic yards, whereas the actual amount returned was 5,727,000 cubic yards. Nobody will find fault with that. If they made a mistake of even twenty per cent of the quantity, nobody would find any fault. They made practically no mistake in the quantity, but in the quality, and the difference between the two qualities is what produces the money. This is how it figures out. According to their estimate there would be solid rock excavation to the value of $1,169,000.

Remember that this is only in a contract for 100 miles.

They converted that into $4,068,000. According to their estimates there would be loose rock $105,000; they converted that into $756,000. According to their estimates there would be common excavation $890,000; they cut that down to $315,000, with the result that according to their estimates this 100 miles of cutting and filling which was to cost $2,000,000, cost $7,108,000.

Mr. BRODER: Who were the contractors?

Mr. MIDDLEBRO: O'Brien and McDougall. O'Brien was the gentleman who put up the large deposit; the same man who took the contract over from Davis at ten per cent; the same man who took the contract from the Grand Trunk Pacific at five per cent and made $500,000. According to the calculation which I have given they made a profit of $1,275,000 on these three materials alone, and on the whole contract they made a profit of $1,547,000. Let us see what Mr. O'Brien himself says in regard to this; you can get no better evidence of recklessness and extravagance than the evidence under oath of the men who get the benefit of that recklessness and extravagance. Mr. O'Brien had contracts for work on the Transcontinental railway amounting to $26,000,000; I am going to read what he himself said with regard to this classification. I quote from page 533 of the report:

Q. Did you ever get paid for clay, where you had the three classifications of solid rock, loose rock, and common excavation; did you ever get paid for clay with these classifications at solid rock price?—A. I have no recollection.

Q. If you signed a contract embodying the three classifications, solid rock, loose rock, and common excavation, in your most bountiful frame of mind you would never expect clay to be classified as solid rock?—A. Ordinary clay?

Q. Yes?—A. Oh, no.

Q. You would not have clay, no matter how hard, if it was not mixed with stones, classified as solid rock?—A. I think not.

Q. So therefore when you talk of solid rock you mean rock?—A. Do you means rock ledge?

Q. You mean rock, stone?—A. Yes.

Q. And when you talk of indurated clay, you expect that it is to be loose rock, don't you?—A. Well, it depends. As I said before if it is mixed with rocks of all sizes and kinds, then I think it should be classified as solid rock.

Q. Where did you ever get it before?—A. I never worked on specifications like that before.

Q. I am not talking about specifications, when, under Heaven, did any one ever pay you for clay mixed with rock of less size than a cubic yard, as solid rock, before the Transcontinental Railway Commissioners set the pace?—A. I have no recollection myself, except as I say in Nova Scotia in the eighties.

Q. In Nova Scotia, where you had signed a contract for solid rock, loose rock, and common excavation, did they ever pay you solid rock prices for any kind of clay intermixed with stones of less than a cubic yard?—A. I have no recollection of it.

Q. You have no recollection, have you, of anybody or any railroad ever paying solid rock prices for clay intermingled with stones of less size than a cubic yard?—A. Well, where the stones are thickly assembled.

Q. Keep outside of the Transcontinental practice now, and give your answer?—A. I said before, so far as the other roads are concerned and under the specifications under which we were working, I had no recollection that it came that way, and perhaps we were not properly entitled to it.

Q. Have you worked for the Canadian Pacific railway?—A. Yes.

Q. Have you worked for the Canadian Northern railway?—A. Yes.

Q. Have you worked for these corporations in grading?—A. Yes.

Q. Now then, have you not, as a matter of fact, in the case of the Transcontinental railway, been paid for material as solid rock for which you were only paid as loose rock in these other cases, never mind the specifications now?—A. I have no doubt as to that.

Q. That is right, is it?—A. That is right I believe.

Q. To use a familiar phrase, this assembled rock was a new one on you when you got into the Transcontinental?—A. Do you mean that assembled rock is a new phrase?

Q. Yes?—A. Yes.

Q. It is a new phrase and a might good one for you, is it not?—A. It is very appropriate.

The contractor himself, therefore, admits that he got paid for material as solid rock which should not have been so classified, and that he got paid for loose rock which should not have been so classified. In this way you will readily see that he would be overpaid to the extent of thousands of dollars, and the commission found upon this evidence—evidence which must be accepted, having been given by the persons most directly concerned—that $1,300,000 was lost to the country in that respect.

The hon. member for South Renfrew seems to think that because upon such evidence as this we complain of this loose classification, we are reflecting upon the staff of the Railway Commission and upon all the district engineers and sub-engineers connected with the work. That is not the point we take. The point we take is that the head of the commission insisted upon these classifications and the district and sub-engineers were bound to follow the instructions given. We charge that the commission smothered the opinions of Chief Engineer Lumsden and made him classify higher than he otherwise would have done. First Mr. Hodgins resigned because he refused to classify this material higher than he himself thought it should be classified. He was

kicked out, and Mr. Lumsden was appointed. Mr. Lumsden said his opinions were smothered and overridden, and he resigned because he was standing by the country and trying to resist the demands of the contractors. I will read part of his evidence, which appears on page 390 of the report, as follows:

Q. Will you tell us how you happened to be persuaded to make this compromise classification ?—A. While at La Tuque with the commissioners on their car, they brought up the subject of solid rock, the interpretation of the solid rock, and I then stated that my interpretation of it was that it meant rock in ledges, or boulders over a cubic yard, or masses of detached rock over a cubic yard. They all disagreed with me; that is, the commissioners and the contractors; and the only person who sided with me on that occasion was Mr. Woods, assistant chief engineer of the Grand Trunk Pacific. Then, after returning here, opinions were handed me by, I think, the chairman—I cannot be positive who handed me these opinions—of different K.C.'s on the interpretation of the specification.

He was smothered by the commission; he was smothered by the contractors; he was smothered with legal opinions; he was smothered out of his opinion that these men were getting more than they were entitled to get. Finally, he said that he could not remain in there with dignity to himself, and he resigned his position as chief engineer of the National Transcontinental railway.

Let me for a moment refer to a few other similar cases. I may say that I have not had time to make as thorough a preparation in this matter as the hon. member for South Renfrew did; most of what I am giving I have picked up since the debate began. This afternoon, while the hon. member for South Renfrew was referring to us as maligning the district engineers, I looked over this evidence myself for the purpose of observing the attitude of these engineers. And I find that, almost without exception, these sub-engineers come forward to this commission and say: We did not believe in the classification that was forced on us, but we were bound to do it in that way following instructions from the head office, from the fountain head of authority. One can hardly blame them. Being in that position, earning their daily bread, if they did not do as they were told they would be told to get out. I wish to quote briefly from the evidence of one of these sub-engineers named Halliday.

Mr. BURNHAM: Where did the money go to?

Mr. MIDDLEBRO: We have a pretty good idea, but we cannot quite prove it yet. Mr. Halliday, at page 269 of the evidence, was asked:

Q. Could you consistently have given any solid rock for that material which was composed of clay and sand, which we call cementing material, and stones less than a cubic yard ?—A. No, sir.

Q. So that the instructions and the assembled rock clause is your authority for calling this material which is composed of loose rock, clay and sand, solid rock ?—A. Yes.

That man says: I did not believe it was solid rock, I did not believe they were entitled to $1.50 per yard. I would not certify it, but I had my positive instructions from headquarters and could not do otherwise. We are not blaming that man, certainly we are not blaming him to the extent that we blame the commissioners who issued the instructions and who seemed to have in mind the fact that they wanted to make the road cost as much as it could cost. I remember reading in the Globe not very long ago a report of a meeting addressed by the hon. member for South Renfrew before the Liberal club of Toronto University, and one poor innocent young Liberal there, the chairman of the meeting, in introducing Mr. Graham, said: Look what the Liberal party have done for Canada, enumerating the various policies but winding up by saying: Look at the huge amount of money they have spent on the Transcontinental railway. Even my hon. friend himself had to smile when he heard that—but he is justifying it all to-day.

I shall take the evidence of another of these sub-engineers, Mr. Dick, found at page 261 of the evidence:

Q. Can you conceive of anything else being included in it, if you confine it to rock ?—A. No.

Q. But you did include something else in it, did you not ?—A. Yes.

Q. In your personal opinion, ought there to be anything else included in it ?—A. Well, I have just classified according to my instructions. We got instructions supplementary to the specifications, giving the chief engineer's ruling, and were guided by those instructions.

Now, while he does not say specifically that that was because of the changed instructions, I think that the fair inference is that he had classified it in that way because he had instructions from the head office.

At page 278 we have the evidence of Mr. Black, who had had eleven years experience on the Canadian Pacific railway. He was asked:

Q. In the classification on the Canadian Pacific railway work did you ever classify such

material as is known on the present work as assembled rock as solid rock ?—A. No, sir, not as solid rock.

Q. Did you ever know of any material which was not rock being classified as solid rock on the Canadian Pacific railway ?—A. I never had a case.

Q. You never heard of anyone else, either, classifying mixed material as solid rock ?—A. No, sir.

So in the whole report you will find the sub-engineers, with few exceptions, would not have classified this material as solid rock, if left to their own judgment.

I wish to say a word or two with reference to wooden trestles. My hon. friend from South Renfrew seems to claim now that it is not proper, economical railway policy to build standard wooden trestles when constructing a railway. I may say that the best way of estimating what is the most economical way of building a railway is to see what those men are doing who are experts in that line. The hon. member for South Renfrew has told us that Mr. Kelliher, engineer on the Grand Trunk Pacific, is a man whose experience and whose intelligence as a railway engineer cannot be questioned. He is an engineer of the Grand Trunk Pacific and the engineer supposed to be directing the building of the western section of that railway; and we must assume that the Grand Trunk Pacific, who will own the road, are going to build it in the most economical fashion possible so that they can carry freight at the lowest possible rates. What do we find on the western section of this railway? Do we find all steel and concrete structures in their bridges and trestle work there? No, we do not. I have a letter here from Mr. C. Schreiber—and by the way the hon. member for South Renfrew will not question the accuracy of Mr. Schreiber's statement, because he said that he is one of the most reliable men we have on the railway engineering in Canada. If it is a good thing, an economical thing to do as we have been doing on the eastern section of the Transcontinental railway, that is to go in at once for expensive steel bridges instead of doing as is usually done, build trestles and fill them up afterwards when required, by train haul fill, when you can haul economically, can any one tell me why that course was not adopted on the western section? On the contrary, we find that on the western section, the Grand Trunk Pacific, who are building it themselves for their own use as their own road, in the most economical manner, built, on the prairie section, eleven steel bridges and 197 wooden bridges and 1,687 wooden culverts. On the mountain section, they built 57 steel bridges and 209 wooden bridges and trestles and 1,388 wooden culverts. I think that proves conclusively that the proper, economical manner of building a railway to produce the best results and the cheapest freight rate is to do as those do who know what they are talking about, the Grand Trunk Pacific, the Grand Trunk railway and the engineers of those railways. It is evidently not the proper method to do as has been done on the eastern division, apparently for the purpose of increasing the cost in the first instance, building permanent steel structures from the first, thus increasing the cost and delaying the completion of the road.

I wish to speak briefly on the Transcona shops. I do not pretend to have studied the question of the Transcona shops from the legal standpoint, but what passes through my mind is that if it was intended that these shops were to be built by the Government, would there not have been some specific mention of an item which was to cost $4,500,000? In the second place, if it was intended that these shops were to be built by this Government and to be used exclusively for the eastern section of the Transcontinental railway, was it not reasonable to suppose that they would have limited their use to the rolling stock of the eastern division of the railway? What do we find? We find shops costing $4,500,000 placed at the end of the Government railway, placed at the centre of the complete railway from the Pacific down to Moncton. That looks to me very much as if the shops were intended to be used by the Grand Trunk Pacific for their western section, 1,800 miles, just as well as for their eastern section. In other words, we are supplying shops so large that they must be intended for the use not only of our own line but of the entire Grand Trunk Pacific line, the western line as well. The hon. member for South Renfrew says that these shops are admittedly larger than is called for for present use, but that they will provide for future development. Where will the future development come from? It cannot come from eastern section branch lines because we have no eastern section branch lines, and the development will have to come from the western section and its branch lines, such as that from lake Superior junction to Fort William. The Grand Trunk Pacific company have now been authorized by this Parliament to build 8,000 miles of branch lines in the West. They have built 1,000 miles of branch lines. They have had their

bonds guaranteed to the extent of $15,000,000 by the provinces of Alberta and Saskatchewan for the purpose of building these branch lines and these two provinces have authorized an issue of bonds for five more branches.

And these two provinces have authorized an issue of bonds for five more branches, and the inference is that those shops were put there at a cost of probably two or three million dollars more than they should have been, for the purpose of meeting the development of the western section of the Transcontinental railway and making the Government of Canada pay for it by placing it at the end of the eastern section.

My hon. friend has referred to the question of the letting of contracts for the Welland canal, which of course he is quite entitled to do. I want to say to my hon. friend that I have taken the trouble to look into those contracts to see the conditions of tendering there and I find that the contractors were asked to put up a certain deposit and they knew they could not be called upon to put up any more. They were not called upon to put up any more. Those deposits in the aggregate were less than five per cent of the aggregate contract price. What is the result? The result is that for the first section there were ten tenderers, for the second section seven, for the third section nine, and for the fourth section nine tenderers. With regard to the Grand Trunk Pacific there was one tenderer for one contract, and only two tenderers for each of the other eight contracts. In one case we have competition and no competition in the other, with the result that the work of the Welland canal is all being constructed within the estimates of the Government engineers. That is the difference between the two contracts.

Mr. CROTHERS: Less than the estimates.

Mr. MIDDLEBRO: My hon. friend says at less than the estimates. I say they were at least within the estimates.

Mr. GRAHAM: Not built yet; it makes all the difference in the world.

Mr. MIDDLEBRO: In conclusion, I think I have shown that this railway will never be able to reduce freight rates in the West because of its exceptional cost. If the Grand Trunk Pacific at any time are charged with having an excessive rate what will their answer be? They will come before the Railway Commission and say: This railway has cost us $102,000 a mile, here are our working expenses, here are our bonds and our stock; we are not able to pay a dividend nor even the rental and we cannot possibly reduce our freight rates. You are in the position then of having paid for something which does not answer the purpose for which it was intended and have paid three or four times the estimated cost. And this Government having been elected on the representations which they made to the people it is high time something was done by a commission for the purpose of letting the people know exactly what the railway is costing and the reasons therefor, and that there is no prospects in future of reduced railway rates in Canada by reason of its construction.

Mr. F. B. CARVELL (Carleton, N.B.): At this very late hour, I hope my hon. friend will pardon me if I do not attempt to follow him in his very interesting historical references to things that took place ten years ago: matters of policy that have been discussed and rediscussed both in Parliament and in the country, questions of policy upon which two general elections were run, and decided adversely to the views of my hon. friend. I want to get down to the real question under discussion. Do not let us get away from the fact that the question we are discussing now is an amendment on going into Supply, condemning this Government for submitting to this House and the country the report of Messrs. Staunton and Gutelius in regard to the construction of the Transcontinental. So far as I am concerned, I will keep pretty close to that subject.

Mr. R. B. BENNETT: Hear, hear.

Mr. CARVELL: My hon. friend says, hear, hear. I hope that when he has an opportunity to address the House, he will not do as my hon. friend from North Grey did, but will get down to brass tacks and talk about Mr. Gutelius and Mr. Staunton.

Mr. BENNETT: Let Laurier finish his work.

Mr. CARVELL: My hon. friend from Calgary seems to be somewhat excited.

Mr. BENNETT: Not a bit.

Mr. CARVELL: My hon. friend from North Grey has discussed the real subject of the report to some extent, and before I am through I promise that I will try to answer any arguments he has put forward in reference to such matters as classification. When gentlemen opposite assumed the reins of office a little over two years ago, we all knew they were seized with a burn-

ing desire to create a scandal, if possible, out of the construction of this great national enterprise. By hook or crook a scandal must be created. Of course, the most important thing in the whole matter was to find the machinery by which to create the scandal. They hunted this country from one end to the other to get the men. Finally they got two men against whom, personally, I have not a word to say. One is a lawyer, a Tory, a would-be politician, from the city of Hamilton, a man who is stated to have said in this city before men who are in this city to-night, that it did his Tory heart good to get a chance to get after these horrible Grits. The other man is an engineer who was, I understand, originally a United States citizen. I am not saying anything against him on account of his citizenship because, if he possesses the proper engineering qualities, he is qualified to pass judgment on the work of the late Government and the late commission. He came to this country ten or twelve years ago, and shortly after coming here was employed by the Canadian Pacific Railway Company to do a certain amount of work in the West. When that work was finished, this gentleman was taken to the head office in Montreal and placed in a position of some responsibility, I admit. I understand he was assistant to the chief engineer. That chief engineer resigned and went back to the United States, but Mr. Gutelius was not promoted to the vacancy. Another man was appointed, and Mr. Gutelius still remained in his old position. That man retired, and still Mr. Gutelius was not promoted. After remaining in the office in Montreal for some time, with no experience whatever in field work, classification or construction work, simply doing ordinary routine work in the office, Mr. Gutelius was taken out of the engineering department of the railway and sent to North Bay in the operating department, and made divisional superintendent in a road which was completed twenty-five years ago. All he had to do was to report on what went on from day to day, and month to month, a position which has frequently been referred to as the bone-yard by engineers and railway employees of that great company. For some strange reason not made public, this is the gentleman whom my hon. friend the Minister of Railways took up out of the woods around North Bay and brought down here, not only to blacken, if possible, the character of the late Government—that is a small matter—but to make a report which has done Canada more harm and will do Canada more harm than this Government could do it good in ten years. The report has gone out to the people of this country and to the financiers of the world from whom we borrow money, that the Grand Trunk Pacific can never possibly earn enough money to pay its expenses and interest. It has placed the Grand Trunk in a position where they will find it almost impossible to borrow more money. It has told the people of this country that we have squandered $40,000,000 of money. It has done this country incalculable injury. These are the two gentlemen employed by my hon. friend to make this report, and it is with this report, and this report alone, that I wish to deal in the few remarks I shall make.

We know that some four or five months ago an inspired article appeared one morning in the Conservative press throughout this country to the effect that the Investigating Commission had found that something like $44,000,000 or $45,000,000 had been absolutely wasted, and worse than wasted, in the construction of the Transcontinental. That was heralded all over the country, and sent to Europe, to the United States, in fact all over the world.

The hon. member for Mackenzie (Mr. Cash), at the beginning of this session, produced here a paper published in Los Angeles, California, with a great big headline declaring that: The Liberal Government of Canada stole $45,000,000. Then you will remember that we had the further statement in the Conservative press of this country that the Liberal party had stolen a lot of money. Finally they screwed up their courage sufficiently to bring down a sort of synopsis of what the report was going to be and they sent that broadcast over the country. If you want yellow journalism in its very essence—yes, in its quintessence—go into the library and get the front page of the Montreal Star the morning after that statement appeared. All the lesser Tory journalistic lights throughout the country published practically the same report only they could not afford as much space and they could not put on as big headlines.

Mr. MURPHY: There was not as much in it for them.

Mr. CARVELL: My hon. friend (Mr. Murphy) says there was not as much in it for them, but in so far as it paid them

they pursued exactly the same tactics all over Canada. We at once wanted the evidence upon which this most wonderful report had been made. We were told that they would get it for us as soon as they could. The evidence was being printed in a newspaper office in the city of Montreal and, day by day, as the evidence was printed, certain deductions from the evidence were dribbled out to the Tory newspapers and the people of Canada were flooded with these unfair and dishonest statements for over a fortnight before we even could get the documents in our hands. Finally we got the documents in our hands and wanted to discuss them a week ago in order to place the matter before the country at the earliest possible moment, but we were politely asked to allow it to stand over for another week and of course we had to consent.

Now we are here to discuss this matter but after the wonderful and masterly speech made by my hon. friend from South Renfrew (Mr. Graham) yesterday and this afternoon, it is almost unnecessary for any hon. member of this House to take up any further time. But in order that we may supplement, if it be possible, to some extent, the exhaustive statement made by my hon. friend from South Renfrew, I desire to say a few words upon this important question. In so far as I am concerned, and I think I am speaking for all my hon. friends on this side of the House, we intend to give the truth of this matter to the people of Canada. We hope that this truth will filter beyond the bounds of Canada and that those people in other parts of the civilized world who have read the false and damaging statements sent out as a result of this report will be to some extent placed in possession of the facts and that they will entertain a somewhat different view of the people of this country than that which no doubt many of them have entertained as a consequence of reading these reports.

I have read every word of the evidence which has been submitted to us and if one will refer to that evidence he will find that these two commissioners were obsessed by certain ideas. They had not bees in their bonnets but one would imagine that they might almost have had wheels in their heads. Mr. Lynch-Staunton had but one theory and that was to prove by every witness that there had been overclassification and that the overclassification existed in allowing as solid rock what has been called assembled rock and also the converting of what he called common excavation into loose rock. Mr. Gutelius, on the other hand, did not care two straws about classification but his theory was: Wooden trestles and velocity grades. That is the substance of the examination of all the witnesses by these two gentlemen.

I was not only pleased, but somewhat surprised, something like a week ago, in attending a dinner given by McGill students in Montreal at a statement made by Mr. C. H. Cahan, a gentleman well known to the right hon. Prime Minister (Mr. Borden), a gentleman well known all over eastern Canada as a lawyer of repute and not merely a lawyer of repute, but, as he stated on that occasion, a Tory of the Tories, a man who had opposed the Liberal party all his life and who was the leader of the local Conservative Opposition in Nova Scotia for some years. My hon. friend may have seen in the newspapers what the hon. gentleman stated on that occasion. The newspapers did not put it half as strongly as Mr. Cahan stated it but he said that it was not playing the game fair, as the hon. Minister of Trade and Commerce (Mr. Foster) used to say to us, by means of a star-chamber investigation to take people before them without the assistance of counsel and to get information which was false, which characterized one-half of the people as dishonest and the leader of a great party as being responsible for this condition. It was not playing the game fair, he said, to send these reports broadcast over Canada and over the civilized world. Let any man acquainted with the principles of fairness and justice recognized in courts of law in getting at the facts of a case, read this evidence through, and he will come to the conclusion that there has been a determined attempt to paint the picture as black as it could be painted. If you read this evidence through you will find that these two gentlemen have acted, in the prosecution of this inquiry, very much in the regular police court style.

They brought witnesses before them, and practically all the witnesses, except three or four, were men in their own employ who were being examined, men with families that had to be fed, men whose positions meant something to them and men to whom it meant a good deal to be summarily dismissed from the positions that they occupied as resident engineers. This was the class of men that these gentlemen brought before them. This was the class

of men who were dragooned, in so far as it was possible, into making statements which would bear out the theories of these two inquisitors, because I cannot call them commissioners. If my hon. friends want an illustration of the manner in which these witnesses were treated I would refer them to a witness by the name of Mr. Charlton. I do not know who Mr. Charlton is, but we find his evidence at page 225 of the case. Hon. gentlemen will find evidence extending over four or five pages showing that Mr. Lynch-Staunton went at him ten times, and Mr. Gutelius ten times. They had to take ten runs at the man in order to get him to give the kind of evidence they wanted. The kind of inquisition which they conducted regarding this man practically characterized their treatment of every man who appeared before them. There was a deliberate attempt to bulldose the men under their control, to bulldose the men to whom they were paying money, to bulldose the men who were looking to them for a living and this was done in order to induce them to make statements to carry out the pet theories of these two inquisitors.

There is one thing that I will give these two gentlemen some degree of credit for and that is that they have carefully avoided making the direct statement that there was fraud on the part of anybody from the head man down to the resident engineers. I submit that you can read that report from cover to cover and you cannot find a solitary statement imputing fraud to anybody. You do find there statement after statement that the road cost more money than it should have cost. You find statement after statement that if wooden trestles had been used instead of solid fills it would have cost less money. You do not have to go to Mr. Staunton or Mr. Gutelius to have them tell you that. Why, any ordinary farmer in the country could tell you that.

Mr. BELAND: And you would not have to pay him so much for the information.

Mr. CARVELL: You do not have to pay $65,000 to get two men to tell you that, and it will be $100,000 before we get through with it. You do not have to get $65,000 men to tell you that if you put in wooden bridges instead of steel bridges, it will cost you less money, and you do not have to get such expensive men to tell you that if you build a road with a one per cent grade instead of a 0·4 per cent grade, it will cost you less money. Why, in many parts of the country if you take one per cent grades or one and a half per cent grades you practically have no work to do, because you simply go up one hill and down another; that is a velocity grade.

An hon. MEMBER: A toboggan.

Mr. CARVELL: But if you want a road on which you can do your business properly, you have to get it level and make it fairly straight, and these gentlemen tell you it will cost more money to build such a road than the cheaper concern they would advise.

Then, these gentlemen proceed to show the manner in which more money was expended than should have been expended. My hon. friend from South Renfrew has dealt with all the matters regarding the Transcona shops, the Quebec shops, the wooden trestles, etc., and I shall not cover the same ground, but I shall attempt in as terse a manner as possible to deal with the question of classification. I shall do so for the reason that while the commissioners were very careful to make no charges of fraud, in fact hardly to make the insinuation of fraud, yet every Conservative newspaper in Canada did not hesitate to come out with the biggest type in its whole institution, and say that the Liberal party stole $40,000,000 in the construction of this railroad. And to-night my hon. friend from North Grey (Mr. Middlebro) came perilously near to the insinuation of fraud, in respect to the classification. The hon. member (Mr. Middlebro), as well as the commissioners, seems to have a particular spite against one M. P. Davis. Now, M. P. Davis is a gentleman whom I do not happen to know; I never had the pleasure of meeting him, but I know him as a public man and as a contractor, and gentlemen opposite know him also. The principal things on which they are attacking Mr. M. P. Davis in particular and the Transcontinental railway as a whole, are on this question of improper classification of solid rock, and of loose rock. I see my friend from St. Antoine (Mr. Ames) is paying some particular attention to this matter, and in dealing with the classification I suppose I am intruding on his particular preserve. For fear that the hon. gentleman has not gone into the history of it, I will ask the House to bear with me while I give a short account of this question of the classification of

10 p.m.

solid rock, in what is called assembled rock. The hon. member for North Grey took particular pains to read the evidence of Mr. O'Brien, the contractor, in which he was asked if he had ever been allowed solid rock for what is called assembled rock before, and he said he had not. But the commissioners did not ask Mr. O'Brien if he had ever met this same class of material before. Oh, no. These inquisitors took pains never to ask a question from a witness which by any possibility would lead to an answer which they did not want. Of all the leading examinations I have ever heard of, the manner in which these gentlemen carried out this investigation is the most extraordinary. They asked Mr. O'Brien only such questions as would produce the answers they wanted, and, as Mr. O'Brien, and as the former Transcontinental Railway Commissioners were not represented by counsel, and had no opportunity of cross-examining the witness. The result is that these inquisitors were able to secure favourable evidence to bear out their contentions.

But fortunately for us and for the country, this question of assembled rock classification is nothing new. It has been threshed out in this House on many occasions; it has been threshed out in the country, and I presume, practically every hon. gentleman present is pretty nearly as familiar with it as I am. But for fear there may be some of my hon. friends on the back benches, men like my hon. friend from Calgary (Mr. Bennett), who was not here in the early days, and who has not taken the trouble to read up this matter, I purpose giving a short history of this assembled rock classification. Away back in 1907, Mr. Woods, who was the assistant chief engineer of the Grand Trunk Pacific, found fault with the commissioners because there was an excess of solid rock being classified in the province of Quebec. Hon. gentlemen will not forget that under the arrangement made between the Government and the Grand Trunk Pacific Railway Company, the company were to be consulted in the letting of the contracts and were to have the right to place upon the work their own inspecting engineers. These inspecting engineers had not only the right, but it was their duty, to protest to the commission against anything, which in their judgment, was not in the best interests of the country and of the Grand Trunk Pacific Company. Remember that the Grand Trunk Pacific Railway Company are to operate this road and are to pay three per cent upon its cost after the termination of the free period. Mr. Woods, in his capacity of assistant chief engineer of the Grand Trunk Pacific, complained about the quantity of solid rock being returned in District B. He wrote to the chief engineer, Mr. Lumsden, and a good deal of correspondence ensued. Opinions were obtained from some of the ablest counsel in the Dominion of Canada, and these opinions are to be found in a return brought down some years ago. I will not read them, but I will mention that the men who gave opinions were Mr. George F. Shepley of Toronto, Mr. Eugene Lafleur, of Montreal, Mr. Ritchie, and half a dozen of the leading counsel in Canada.

Mr. MACDONALD: And Sir Alexander Lacoste.

Mr. CARVELL: Yes, Sir Alexander Lacoste.

Mr. MACDONALD: A good authority for the hon. member for St. Antoine.

Mr. CARVELL: Yes, and it ought to be a good authority for any man in this House, whether he comes from the province of Quebec or elsewhere. Here were men of the highest standing in the legal profession giving their opinion as to what was the proper construction of the clause of the specification referring to solid rock. Perhaps I had better read this clause of the specification, so that there may be no doubt about it, it is to be found on page 98 of the exhibits.

> Solid rock excavation will include all rock found in ledges or masses of more than one cubic yard, which in the judgment of the engineer may be best removed by blasting.

The question arose as to whether the word 'masses' meant a solid mass of rock of one cubic yard or over, or a mass of rock composed of a number of smaller pieces cemented together so as to make it a solid whole. I put that in my own language, but I think it fairly well describes the contention between the parties.

All the eminent counsel to whom I have referred gave it as their opinion that the proper construction of this clause of the specification was that, no matter how big or how small the pieces of rock were, so long as they were rock fastened together, they were solid rock under that specification; and that if that material was found, the contractor was entitled to the solid rock price for removing it. Then they appealed to Mr. Newcombe for his interpretation of that specification. His interpretation will

be found on page 384 of the evidence. This wonderful engineer, Mr. Gutelius, after reading Mr. Newcombe's letter, still says that Mr. Newcombe did not agree with the contention of the other gentlemen, but that he agreed with Mr. Lynch-Staunton and himself in their interpretation of this clause of the specification. Therefore, I will read Mr. Newcombe's letter and let hon. members and the people of the country judge whether Mr. Gutelius was able to understand the English language properly or to appreciate the true meaning of a legal opinion given by such a man as Mr. E. L. Newcombe. The letter, dated the 6th day of January, 1908, and addressed to the secretary of the Transcontinental Railway Commission, is as follows:

Referring to your letter of 20th ultimo with which you submit the correspondence with regard to the classification of excavated material and the interpretation of clauses 33, 34, 35 and 36 of the general specifications for construction of the eastern division of the National Transcontinental railway, I have the honour to state that upon consideration of the papers submitted I see no reason to differ from the classification stated by the chief engineer in his letter to the commissioners of 16th ultimo except as to the statement that 'rock assembled (the individual pieces of such assembled rock exceeding one cubic foot in size). . . such as in the judgment of the engineer may be best removed by blasting,' is to be classified as solid rock excavation under clause 34. I do not understand upon what principle the chief engineer limits the size to pieces exceeding one cubic foot. The specifications speak of rock found in ledge or masses of more than one cubic yard which in the judgment of the engineer may be best removed by blasting. If 'rock assembled' may be regarded as a mass of rock and if it may be best removed by blasting, I do not see why under the specification it is material whether the individual pieces exceed or are less than one cubic foot in size, and if 'rock assembled' is not regarded as a mass, the minimum limit of size which can be classified as solid rock exceeds one cubic yard.

In the rest of the letter Mr. Newcombe says that this is purely a question for the engineers to decide on the ground and as the matters come up. As to the construction of that clause of the specification, however, I have read Mr. Newcombe's opinion, and yet Mr. Gutelius stated that he did not consider that Mr. Newcombe agreed with those gentlemen as to its construction.

After that, Mr. Lumsden, who was at that time chief engineer of the commission, went to Mr. Collingwood Schreiber. I do not think it is necessary for me to give a certificate of character for Mr. Collingwood Schreiber, a man who has been at the very zenith of the engineering profession of this country for the last thirty or forty years, a man who has had to do with every big railway undertaking in Canada since Confederation, a man whose word would be taken by any engineer in Canada, by any railway contractor in Canada, by any politician in Canada, whether Liberal or Conservative. Mr. Collingwood Schreiber was appealed to by Mr. Lumsden, and I think no person would deny the fact that Mr. Lumsden was not at first in accord with the gentlemen whom I have named in his interpretation of this clause of the specification. Mr. Lumsden is a very old man; and when the commission had him before them, it is almost a work of art to watch the manner in which they guided this poor man along. They did not ask him any questions they said to him: You did so and so, and he said yes; and you did so and so and he said 'yes.' He said 'yes' to everything they said to him. Amongst other things he said that he was always opposed to this classification. In some way his views were smothered out and he was compelled to accept the views of others. I might say that at that time Mr. Collingwood Schreiber had been assigned a special position as consulting engineer for the Government. He was perhaps in the most independent position in which any man in Canada could be on this question. Some of the gentlemen who had given their legal opinion were paid counsel for the contractors, and perhaps my hon. friends will argue that their opinion should not be taken as of very much value because of that fact. Here is a gentleman who had been in the employ of the country for a third of a century, who had been chief engineer of the Railway Department, who had been taken out of that position and had been given, almost as an honourary position, that of consulting engineer for the Government and for the Transcontinental Commission, the man whom everybody employed as the last resort for an interpretation on an engineering question. Mr. Schreiber was sworn and gave his evidence on page 447. I will only read a portion of it. My friends can follow it up and they will find that I am giving in a nutshell the substance of this gentleman's opinion, as follows:

Q. Do you know that Mr. Lumsden construed that clause 34, which is the one relating to solid rock excavation, so as to exclude from solid rock excavating everything which was not rock?—A. Yes.

Q. Would you agree with that?—A. Everything which was not rock certainly would be excluded.

Q. And afterwards Mr. Lumsden tells us

that he was shown the opinions of several eminent counsel, obtained by the contractors, to support their contention respecting the construction of these specifications, and that, as the opinions differed from him, and as the commissioners differed from him, that he was brought to make a modification of his own views of the specifications; did you know that?—A. I knew that eminent counsel had submitted their views with regard to the specification, but I did not know that he had modified his views.

Q. He tells us that he did, and I think in the Lumsden inquiry he said he did; he is made to modify his views so as to include in the classification material which was not solid rock, when mixed with solid rock; that is, the matrix in which the rock lay?—A. Do you refer to what he calls assembled rock?

Q. I do.—A. Yes, I was aware of that assembled rock, but I did not know he did not agree about it before.

Q. Do you know that he at first contended that even in assembled rock none of the interstitial material should be classified as solid rock?—A. No, I did not understand that. What I understand by his assembled rock, was that it was fragments of rock cemented together in bodies of not less than a cubic yard.

And so it goes for the rest of that page and part of another. In other words, Mr. Collingwood Schreiber, says that he exercised no influence over Mr. Lumsden and that he did not know that Mr. Lumsden disagreed with him or with anyone else. A few days after that Mr. Lumsden issued what is called the famous blue print. A copy of this blue print will be found as No. 16 in the book of exhibits. In this famous blue print an illustration is given of the cuttings which ought to be classified as solid rock, and the one particularly referred to now is No. 5. No. 5 shows the number of pieces of rock of different sizes, all smaller than a cubic yard, securely joined together by some sort of cementing material. That blue print is sent out to the engineers and they are told that when they find material of that kind they are to classify it as solid rock. From that time forward when this material was found it was classified as solid rock, and it was so classified according to the instructions of the chief engineer of the commission. The chief engineer told the engineers to do this because he was convinced, and every other man about him was convinced, that the only proper way to construe that specification was to construe the material referred to as solid rock. This was rock in masses of one or two cubic feet; of course, if it was a cubic yard there could be no question as to its being solid rock. That document is signed by Hugh T. Lumsden, chief engineer, and is dated at Ottawa, January 10, 1908. The commissioners had nothing to do with this classification or with this blue print.

Mr. AMES: Perhaps some pressure was brought to bear.

Mr. CARVELL: Where was the evidence of pressure? I want the hon. member for St. Antoine to answer that, and I will give him an opportunity to do so. Will my hon. friend not explain it? He cannot do so. The member for St. Antoine is doing what he has been doing for the last four years—making insinuations which he cannot prove. The hon. gentlemen on the other side of the House who have discussed this question and many of the newspapers throughout Canada which have discussed the matter have been up to the same tricks as those of the hon. member for St. Antoine to-night. I tell the hon. gentleman that he cannot put his finger on a particle of evidence to prove that Mr. Lumsden was ever coerced by the commission or any member of it. We have heard enough of this kind of thing during the course of this discussion, and the time has nearly come when we ought to put a stop to it.

As I was saying, this material was subsequently classified as solid rock. But the commission produces the evidence of different persons to show that they had never seen this classification before. My recollection is that they got that evidence from M. P. Davis and M. J. O'Brien, contractors of large experience, who said that they had worked with other railway companies and had never met with this classification. I suppose that the hon. member for St. Antoine, if I were not here to watch him, would argue that because M. P. Davis and O'Brien said that something was crooked, or there must have been some unfair or dishonest collusion between the contractors and the engineers, and the engineers must have been giving M. P. Davis classifications to which he was not entitled. It must be borne in mind that out of $65,000,000 worth of grading on this road only $1,800,000 is involved in this assembled rock proposition.

Mr. MACDONALD: A tempest in a teapot.

Mr. CARVELL: During the last seven years there has never been a session of this House—except the last, when hon. gentlemen opposite let us discuss the navy—during which we have not heard this same old story, which has been heralded from one end of the country to the other, about the immense amount of thieving that was going

on in connection with the classification of gravel as solid rock. But, as I have said, according to the biased and unfair report of Gutelius and Staunton, only $1,800,000 is involved in this matter. I think it will be admitted without any hesitation that these gentlemen have made the case just as strong as they possibly can. So far as Staunton is concerned, that was his whole business; that was the only interest he had in the whole investigation. Every man who was called before Mr. Staunton was asked this question about assembled rock. Perhaps I can do no better than give the evidence of Mr. Grant with regard to this matter. Mr. M. P. Davis and the gentlemen who gave evidence along this line had never in their experience met the same kind of material, but Mr. Grant, a man of as large experience as they, a man of much larger experience than Mr. Gutelius, when it comes to the construction of railroads, a man who for the last twenty years has been engaged in construction work and classification work, a man who is so big that this commission did not dare to dismiss him, a man whom they have kept in their employ up to the present time, and whom they will keep in their employ until the road is finished—

Mr. AMES: A strong advocate of mountain grades.

Mr. CARVELL: I would advise my hon. friend to keep quiet. He will have an opportunity of speaking later.

Mr. MACDONALD: His business is to insinuate.

Mr. CARVELL: That is right, or to take pictures that do not show things as they are—to take pictures from the wrong angle. I would call my hon. friend's attention to the evidence of Mr. Grant, which he will find on page 380 of the report.

Mr. R. B. BENNETT: Take a picture of the hon. member for Carleton.

Mr. CARVELL: I am always pleased when I get my friends on the other side a little excited, for I feel then that I am getting under their hides. It is always a matter of congratulation to me when I make them feel uncomfortable, and that is what I am trying to do to-night. I am going to try to give my friends the whole of the facts with regard to this matter of classification, and if I can make them feel a little more uncomfortable than they have felt in the past, I shall be somewhat gratified. I think I may safely say that I am giving my friends opposite something which they have never heard before. On page 380 I find this evidence given by Mr. Grant:

> Q. Did you ever come across the term 'assembled rock' before?—A. I did not.
>
> Q. In the other specifications with which you are familiar did you have any trouble to classify all sorts of material without using such a classification as assembled rock?—A. I never classified anything else as solid rock on any other road except ledge rock and boulders over a yard.
>
> Q. And you never found it necessary to find any kind of solid rock such as assembled rock?—A. No, because the specifications of the other roads as a rule would define anything or would include an item for anything out of the ordinary such as on the Cape Breton railway we had classification for gypsum. On other roads we would have a special item for shale rock, rock debris, and such material as that.
>
> Q. Where it occurred in sufficient quantities to justify a special price?—A. Yes.

There is the answer to the whole question. Mr. Grant had met with this class of material, but in every case he had an item in the specifications to cover it. On the Transcontinental it was found in two places; it was found in New Brunswick—not a very large quantity—it was found west of Quebec, and, I think, to some extent east of Quebec. This matter came up, and I have given the House the history of it. I would like my hon. friends, if they wish to be fair, to say if they see anything crooked or dishonest in that proposition. They have got to assume that every man who gave his opinion on this was either a fool or a knave. I think they have got to say both. They have got to assume that every man was crooked. That Mr. Collingwood Schreiber was crooked, that Mr. Newcombe was crooked, that Mr. Gordon Grant was crooked, and that all the men under them and every man connected with this work, from the highest down to the lowest, was crooked and trying to defraud the Government in this classification. What have they got against this? Mr. Speaker, I make the statement here with a full sense of its importance, the only opinion they have put up in this House against that proposition is the statement of Mr. Geo. Lynch-Staunton, the man who started out to prove this whole commission to be a set of crooks if it could be done by hook or by crook. My hon. friends cannot find in the evidence, or in the records of this Parliament or in the records of the commission, the opinion of any man of any importance, in Canada or out of it, to substantiate that proposition, except the opinion of Mr. Geo. Lynch-Staunton—and then they want you to say that the

whole commission, all the engineers and everybody connected with it, were a set of crooks and stole from the coffers of this country $1,800,000, because Mr. Staunton says he does not agree with their interpretation of that classification.

I wish to refer briefly to the evidence of Mr. Woods, which I think it important to have for this reason, that the Grand Trunk Pacific are to pay interest on the total cost of the construction of this road at 3 per cent after the expiration of seven years from its completion for the term of forty-three years; therefore it is in the interests of the Grand Trunk Pacific to have this road built as cheaply as possible, consistent, of course, with proper grades and curves and a proper roadbed. Now, if anyone will read the evidence of Mr. H. A. Woods, he must be convinced that Mr. Woods tried in every way to have the road built as cheaply as he could consistent with the idea that it must be a first-class road. So I look upon the evidence of Mr. Woods on this question as perhaps being of greater importance than of that of anyone else. He is a man whom I know well; he has had long experience in the railway world, and is a man of sufficient importance to be made assistant chief engineer of the Grand Trunk Pacific railway, a man who has occupied that position from the beginning of construction to the present time, who is there to stay, doing justice to himself, to his company and to the Government as well; a man who is trying to work this matter out just as honestly as it can be done. Mr. Woods' statement is to be found at page 431 of the evidence.

Q. You say there was an amendment made to the specification?—A. Yes, which I think had the approval of the Government.

Q. You think that amendment or blue print issued by Mr. Lumsden, dated January 7, 1908, widened the definition of solid rock, so as to include material which had theretofore not been classifiable, if I may use that word, as solid rock?—A. I think so, yes.

Q. To what part of the blue print do you refer as having that effect?—A. I refer to where it shows a stone of smaller dimensions. I refer to number 5; it shows smaller fragments of rock, 'Rock in masses of more than one cubic yard, which, in the judgment of the engineer, can be best removed by blasting.' I mean that that it is not solid rock in the ordinary acceptance of sold rock, but it was decided to term it solid rock, because it is as difficult to move as solid rock.

Q. I do not think you have read that carefully, because it does not say 'rock in masses'?—A. It does.

Mr. Woods was not the man to be browbeaten by Mr. Lynch-Staunton. Remember that Mr. Woods is not in the Government employ, and the moment Mr. Lynch-Staunton starts to crowd something down his throat he contradicts him. Mr. Staunton goes on:

Q. Pardon me, it does not; it says 'rock in masses,' just exactly as the original specification said. It does not say 'rocks in masses' but rock in masses, and the original specification said rock excavation. I have tried to find out how this modified the specification, and I have been unable to do so personally?—A. Well, it probably grew, if you will allow me to say so, out of the interpretation placed upon article 35 by the engineers, in which masses, although not solid, not ledge, might be termed solid rock.

That is all the evidence I wish to give on the question of solid rock. I have given shortly practically all the facts in connection with it, and I have stated that in the report of these gentlemen they state that $1,800,000 is practically the amount which they claim was paid for solid rock classification, or that should have been paid by reason of introducing this assembled rock question.

I come next to the loose rock, and I will go over that very hurriedly. There has always been a great deal of talk about the loose rock classifications. You will find the specifications for loose rock also at page 98 of the exhibit. It is known as section 35.

All large stones and boulders measuring more than one cubic foot and less than one cubic yard, and all loose rock whether in situ or otherwise, that may be removed by hand, pick or bar, all cemented gravel, indurated clay and other materials, that cannot, in the judgment of the engineer, be ploughed with a 10-inch grading plough, behind a team of six good horses, properly handled and without the necessity of blasting, although blasting may be occasionally resorted to, shall be classified as 'loose rock.'

The only place on this road where this loose rock classification became important was on contracts 14, 15 and 16, and, to some slight extent, on 13. There the engineers found a peculiar condition of affairs. They found a material which some of them called gumbo and some blue clay. It was not rocks from the size of your fist up to a cubic foot in diameter, but it was a material which cost more to remove than the ordinary material which would come under the classification of loose rock, and the question arose as to whether the engineers were justified in classifying any of that material as loose

rock. I want to put this clearly, and I think I am putting it practically as it works out. In order to test the question as to whether this could be classified as loose rock or not, the question arose: Could it be successfully ploughed with a team of six good horses, properly handled, drawing a 10-inch grading plough? If, in the opinion of the engineer this could be done, the material ought not to be classified as loose rock, but, on the other hand, if it was the opinion of the engineers that that could not be done, it should be classified as loose rock. Therefore the question came up: Could this material have been ploughed by a team of six horses such as I have described as set forth in the specification? All the engineers contended that a large amount of this material could not be ploughed by a team of six horses.

I think practically three-fourths of the witnesses who appeared before the commission were examined on this point. I am not going to read the evidence as it would take too long. But I would like to read the evidence of two or three witnesses as it describes what the work was like. On page 221, you will find the evidence of a Mr. Holland, an engineer who had been in British Columbia, on the Canadian Northern railway, on the Quebec, Ontario and Hawkesbury line and who was finally promoted to the position of divisional engineer on contract No. 14 or 15. He describes one of the cases in which they attempted to make this plough test:

Q. You say you made no tests; do you know whether any tests were made ?—A. Well, there was one test made at Mettagami. I did not see it myself, but I saw the result of it.

Q. That was a plough test ?—A. That was a plough test.

Q. Where was this plough test ?—A. Mileage 134.

Q. Who made it ?—A. The sub-contractors, Videau and Overend.

Q. What did they make it with ?—A. Grading plough and four horses.

Q. You saw it after it was ploughed ?—A. Yes.

Q. How much did they plough ?—A. They ploughed a strip five or six hundred feet long.

Q. How wide ?—A. Twenty feet.

Q. Did they turn it over ?—A. Parts of it; the plough would jump out.

Q. But, generally speaking, did they turn it over ?—A. Yes, they turned it over.

Q. What shape was it in when it was turned over ?—A. Just one length; it did not break or crumble.

. Do you mean turned over like a piece of rubber ?—A. Yes.

Q. How long afterwards did you see it ?—A. Next morning.

Q. How long did it take to fall apart ?—A. It was picked apart.

Q. How long would it take to fall apart ?—A. A week.

[Mr. Carvell.]

Q. It would crumble all up in a week ?—A. Some of it, not all of it, some never would.

Q. Does not all this crumble when it is exposed to the atmosphere ?—A. Not all; some hardens.

Q. That which does harden will crumble by a blow ?—A. Yes, it has a tendency that way.

Q. How long had this surface been exposed to the atmosphere that was ploughed ?—A. When I saw it?

Q. How long had it been exposed before it was ploughed ?—A. They ploughed it the first thing, as soon as they grubbed it.

Q. Do I understand that this was the original surface of the soil ?—A. Yes.

Q. And do you mean to tell me that that stuff turned over and stood like a ribbon ?—A. Yes, not a ribbon for two or three hundred feet, but for fifteen or twenty feet it was a ribbon.

By Mr. Gutelius

Q. Were there any pieces longer than a foot or two ?—A. Well, they ran over that.

By the Chairman:

Q. What was the average ?—A. Well, they looked to me to be much longer than the plough, and the plough is eight feet.

Q. What did they do with that stuff when they turned it over ?—A. They picked it and wheeled it in a dump.

Q. Did you see any of them cross it with a scraper ?—A. Yes, we tried to load the scraper, but could not get the stuff in.

That is the evidence of an engineer of repute who saw this plough test made. He had no hesitation in saying that while you might possibly plough that ground you could not possibly plough it in such shape that it could be removed. You might as well break it to pieces with a pick and shovel in the first place, as have to do that after it has been ploughed.

Then there is the evidence of a Mr. Balkam, whom I know personally and I think the Minister of Trade and Commerce knows him too, a man of the highest reputation who has been in the engineering business for probably a quarter of a century. He has worked in many parts of Canada and knows as well, probably, as any man on the Transcontinental how material should be classified, a man of sufficient importance that from the day he went on the road his career was a series of promotion after promotion until four years ago he assumed the position, practically, of assistant to the chief engineer of the work. The man who held the title of assistant was MacPherson, but the man who did the inspecting and engineering was H. M. Balkam. He travelled over the road from Moncton to Winnipeg, week by week. Every contract received his particular attention and inspection. Mr. Balkam was sworn and gave evidence, which you will find on page 317:

Q. Explain, please; you are doing the explaining?—A. Well, the fact that you can pull a team through it is no use. You plough for a certain purpose, to break it and handle it. If ploughing made this clay readily handable, I

would consider it ploughing; otherwise, I would not.

Q. You thought it could be turned over, but you classified without seeing it done?—A. There was never any plough work on this to my knowledge.

Q. You concluded that you would never accomplish your purpose by ploughing?—A. You had not accomplished your purpose.

Q. You concluded you had not accomplished your purpose?—A. Yes.

Q. What reason have you for concluding that?—A. My judgment.

Q. How did you arrive at that?—A. Because a man is supposed to exercise his reason.

Q. How did you arrive at that?—A. From the nature of the material.

Q. Had you ever tried it in your life on that kind of material?—A. Not just exactly on this kind of material.

Q. So that you had no experience in it; you could do no more than guess, could you?—A. Oh, yes.

Q. How can a man form a judgment without experience?—A. You know it is a tough, hard material. You can form some idea by the way a pick or shovel works on it how a plough would work it.

Q. How was it taken out?—A. A great deal of it was blasted.

Q. Was there any continuous blasting in the whole district?—A. Yes, there has been continuous blasting in my time.

I have given the evidence of two men as to the nature of this material. It all comes down to the question of one man's judgment against another's. The whole question is, could that material be properly and economically ploughed into such shape that it could be removed? If in the judgment of the engineer it could not be so ploughed, the engineers were not only right but were practically compelled to find that this should be classed as loose rock and not as common excavation. After the change of Government and the change of commission, following out the old policy that everything possible must be done in order to show that something wrong or crooked had been committed, a man was chosen by the name of Goodwin, who was at one time, I think, a divisional engineer on the Transcontinental but who had been dismissed from his position—I know not for what reason, but his services had been dispensed with. This man was found somewhere around North Bay and was made inspecting engineer over the whole work. He was sent out over sections 14, 15, 16, not to properly inspect them, I submit, but to find fault and make trouble if he possibly could, and he went the limit in trying to find fault. He at once attempted to make a plough test. I will not take the trouble to read his evidence, but hon. gentlemen will find the plough test described on page 293 by a man named Mattice, an assistant district engineer. Let me show how unbiased and perfectly fair-minded Mr. Goodwin was in his attempt to find out whether the land could be ploughed, and whether or not these engineers were crooks and thieves because they had returned a certain percentage of it as loose rock instead of common excavation. He went into the Cochrane yard, a place within forty feet of a cut along the Temiskaming and Northern Ontario railway, a cut that had been taken out years before. On one side of this land was the Temiskaming and Northern Ontario railway and on the other side the Transcontinental. Both railways had been taken out for some two or three years. A little piece of land was left in the middle that time had drained out. It had become dry and ceased altogether to have its original consistency. It was no more like the ordinary land in that country than bog is like solid rock. This man cleared the bush from it, got a team and a plough, and ploughed it. He found they could plough down to the extent of three or four feet. He then comes back to the Government and says: I ploughed that and I did not have to use my horses, I only had four; and because I ploughed that piece of land that had been drained out for years, forty feet from the Temiskaming and Northern Ontario railway, therefore I say the whole division of 400 miles could have been ploughed and consequently every engineer who returned this as loose rock instead of common excavation is a crook, the Government are crooks, and the commissioners are crooks, and there was some sort of unholy conspiracy between the Government, the engineers and the contractors. I want to ask any hon. member—I do not care what his politics may be—if he considers that a fair statement to the country as to the condition of that material. You only have to state the proposition to show its unfairness. You only have to do that in order to show that it was an unfair test meant to give an unfair result and meant to take an unfair advantage of the men who made this contract. Then Mr. Goodwin comes back and says: I tested that, and as a result of my test I am satisfied that the engineers classified $670,000 worth of material as loose rock which should have been classified as common excavation, and, therefore, the Government have been mulcted by that amount of money. I have gone as hurriedly as possible into these two questions of the classification of solid rock, assembled rock and loose rock.

I want to go back upon that question

for a moment. When hon. gentlemen opposite took possession of this road it had not been finished; every contractor had a big deposit with the Government. My hon. friend from North Grey found fault with the big deposits, but the big deposits were there. More than that, the greater proportion of their ten per cent remained in the hands of the Government, because the Government had kept a drawback of ten per cent in order that they might be perfectly safe. In addition to that, they had a lien upon the plant and they had enough to pay this $700,000 three or four times over. They had the money in their hands. Did they take it out of the hands of the contractors? Not a dollar of it. They paid practically every dollar of it over to the contractor. When my hon. friend from South Renfrew said last night that the Government did not believe the report of these commissioners was he not justified in doing that? If my right hon. friend believed them, if the Minister of Railways and Canals believed them, if the Government as a whole believed them, would they have paid these men for the classification which they said was dishonest?

This commission have in some way attempted to create the impression that there was a steal, that there was some kind of an understanding between Davis and the Transcontinental Railway Commission. They only insinuate it, they dare not state it. I do not have to tell you that Mr. Davis is one of the wealthy men of Canada. At the time that these hon. gentlemen came into power they probably had a million of Mr. Davis' money in their hands and there was not half of that amount involved in overclassification in connection with the Davis contract altogether. If they believed that they were right and that Lynch-Staunton was right with reference to classification, I ask again, why did they pay this money over to Davis? I would like my right hon. friend to answer that. I think my right hon. friend could give the most accurate answer of anybody in this House to-night. He knows why they did not take it out of the hands of Davis, we know why they did not take it out of Davis, and we know why they did not take it out of any one.

We know that in connection with contracts 14 and 15, after these gentlemen got into control, they reported that a certain amount of money should be taken out of the contractors on account of loose rock classification. They did do it; they transferred a certain number of thousands of yards from the loose rock column to the common excavation column and the contractor said: Put that back or I will fight it out. Did they fight him? No sir, they put it back, paid him the money, paid him his drawback and his deposit and they released his plant. Then, they say that these gentlemen did not construct their work in time. My hon. friend from North Grey has had a good deal to say in connection with contracts No. 16 and 17.

I do not suppose there is an hon. gentleman who will discuss this question but will rehash this old story about contracts 16 and 17 in connection with which they say that Davis made an unfair profit. They say that he made $746,000 without doing anything for it. The commissioners say that, because he did not commence this work when he should have commenced it, the Government should fine him $5,000 a month according to one of the conditions of the contract. Why did they not fine Davis? Why did they pay back Davis' deposit? There must be a reason for this. Either they do not believe the truth of that report or they are not straight with the country, one or the other—I care not which one of the dilemmas they have chosen to hang their hats on. This Government do not believe their commissioners or they are not playing the game with the country fairly. If they believed the report of the commissioners they would fine Davis $5,000 a month. When they pay him back his deposit I think it is proof positive that they do not believe the report of the commissioners and that that report was only printed for party purposes and for the purpose of making the people of the country believe that there was something crooked with the old Government.

It was a dishonest report and it had a dishonest object because if these hon. gentlemen did believe that it was an honest report they would carry out its provisions and fine Davis $5,000 a month and also fine the other contractors. They would not pay these men the solid rock price for assembled rock and they would not pay $600,000, at the loose rock price, for material which they claimed should only be paid for at the common excavation price. I think this is a matter of sufficient gravity to demand an explanation, not from men like Lynch-Staunton or Gutelius, but from the Premier who is really responsible for the commissioners, responsible for the Minister of Railways, responsible for the commissioner

of the National Transcontinental railway, and responsible to the people of Canada for the way in which they managed these financial matters as between the commission and the contractors.

The commissioners give instances of the ways in which money was taken from the country. They do not say that work ought not to have been constructed but they say that they were not necessary. Before I close I want to give a few illustrations in order to show the absolute unfairness, unreliability and, I would almost go as far as to say, the latent dishonesty of the report of these two commissioners. I will refer to three or four instances in my own province because I have some personal acquaintance with conditions there, and therefore I can speak about them more intelligently. I now come to what is known as the Coal Creek fill in connection with which they say that something like $250,000 was uselessly expended. My hon. friend will find the reference to this matter at pages 94, 95, 96 and 97 of the report. The facts are these: In the location of the railway between Chipman and Moncton they came upon a deep and wide ravine which had to be crossed. If they were going to build the road up to the grade which had been established this fill had to be crossed either by a wooden trestle, a steel trestle, or a solid fill. The distance was something over 2,000 feet and I think that in the centre it was probably 75 feet in height. After a great deal of engineering consideration and figuring it was decided by the commissioners that this valley should be crossed by means of an embankment at each end and that the middle thousand feet over the small stream should have a steel viaduct or trestle. That was decided upon and the work was proceeded with. Later on the contractor made a proposition to the commission by which he agreed to fill this thousand feet with solid material and put an arched culvert in the centre for the same money as it would take to build the viaduct. I ask hon. members opposite if they do not consider that a good business proposition, from the standpoint of the Transcontinental Railway Commission. If you can get a fill seventy-five feet deep with solid material, in place of a steel viaduct, without spending any more money, is it not good business? There was no guesswork about what the viaduct would cost, and they figured out how many thousand yards of material it would take to fill the hole, and they saw they could afford to pay the contractor thirty cents a yard, and that in the end it would cost exactly the same as it would to put in a steel viaduct. The price was low, but the contractor said he would take it at that price, and it was distinctly understood in the agreement that there was to be no overhaul; he was to get the material where he could and fill the hollow for thirty cents a yard. He proceeded to do so. Before they got far they found that the material they expected to use was of a soft consistency, and that when heavy quantities were placed in the fill it would slush out at the bottom, and that it was not safe to build the fill of that kind of material. But, the contractor had made an agreement to fill the hollow up with solid material at thirty cents a yard, and he did so. He did not do it with common excavation but with solid rock, and it took about 290,000 cubic yards, and he did it for thirty cents a cubic yard. I ask any engineer in Canada to tell me if it is possible for a man to move that material for less than sixty cents or seventy-five cents a cubic yard. I say that the contractor must have a splendid equipment and the most perfect conditions possible, to remove such material for seventy-five cents a cubic yard. And yet, that man removed the material and put it into the embankment for thirty cents a cubic yard. If you want any proof of that you can find it at page 96 of the report.

Another condition of affairs arose. They had decided to make an embankment of solid material leading from the bank on each side, up to within this thousand feet. That was the original understanding, and that was the contract the contractor entered into with the commissioners. And when they came to fill up the approaches, they found that the material available was not sufficient because it would slush out at the bottom, and they found they would have to go forty miles to get proper material, unless they took solid rock. One would think, from reading this report, that a special trade was made by which they agreed to pay this man $1.10¼ per cubic yard for putting in that solid rock. The report reads:

11 p.m.

> This rock borrow was approved of by the Grand Trunk Pacific (the contractors for this work), and paid for at the special rate of $1.10¼ per cubic yard, this rate being authorized by Order in Council, passed on January 13, 1911.

Before that the report says:

> As will be noted from these reports, the amount of available common location for the construction of this fill was largely ever-estimated, and it became necessary to borrow rock

to the extent of 205,876 cubic yards, to complete the embankment.

Is there a man in this House who can read that without coming to the conclusion that the Government paid the contractors $1.10¼ per cubic yard for filling up the embankment. That is what the inquisitors meant; that is the meaning they intended to convey, that is what they have been preaching all over the country. And yet, if you look at page 96 of the report, you will find that the material that went into that was paid for at thirty cents a yard and not at $1.10¼, and the contractor lost, I believe, from $75,000 to $100,000 in putting in the fill. The commissioners knew that. These figures are so juggled—and I cannot use a milder term—by this commission, that although knowing that, they tried to lead the people of this country to the conclusion that there was a steal made, and that the Transcontinental Commissioners made a contract to fill this at thirty cents a cubic yard but finally paid the contractor $1.10¼ a yard. More than that, these gentlemen tried to create the impression that this special price of $1.10¼ per cubic yard was made in 1911. Why, there was a return brought down in this House in 1909 or 1910 on the motion of Mr. Crocket, then member for York, which return showed that away back in 1908 that price of $1.10¼ was provided for rock borrow. And yet these gentlemen try to make the people believe that this was done in 1911, after the work was finished. The reason for the rock borrow was, that they found that in particular places they could not get common earth to borrow for making these big fills, and the contractor said: you figure how much rock it will take to fill up a certain hole, and then we will take the price which you will have to pay for common excavation and we will put it in for that price. Here is the way it figured out: we all know that when you dump earth over an embankment, that naturally it will spread out, what is known as 1½ to 1. If you have an embankment fifty feet high in the centre, it will be 150 feet wide in the bottom, because it will go out seventy-five feet from each side of the centre line, the slope being 1½ to 1. On the other hand, we all know that if you dump rock in, it will not go out to the extent of 1¼ to 1, and the result is that you would probably not have much more than one-half of such actual material in a dump of solid rock as you would in a dump of common excavation. Therefore, taking the solid contents of these different fills, they figured out, in the first place, how many cubic yards of earth it would take to fill, and then they took how many cubic yards of rock it would take. Then they know that the earth will settle to a much greater extent than the rock will, and the rock is measured in situ. Then, when the rock is broken by explosives, it expands and the result is that a yard of rock in situ will give more than a yard and a half in the dump. Taking all these things into consideration, they found that $1.10¼ for rock meant only the same cost to the country as forty cents for ordinary common excavation, and that is the way this price of $1.10¼ was arrived at, three or four years before the date given by the commissioners in this report. I say, Mr. Speaker, that if you had no other evidence than this, you have sworn evidence right there to condemn these men as making a dishonest, unfair, and partisan report for dishonest, unfair, and partisan purposes. They did use a large amount of solid rock and they used it in the approaches to that thousand feet span, and they would have to use it, no matter whether they put in steel or not. They had to make this embankment any way, and if the common material there was not sufficient, they had to get proper material, and they used rock borrow at $1.10¼, and the change made in that respect did not amount to one ten cent piece to this Government one way or the other.

They would have had to fill those embankments, no matter whether they put in steel or solid material. So far as the thousand feet which was originaly to have been in steel is concerned, it was put in in solid rock at 30 cents a cubic yard, and the contractors lost probably $60,000 or $75,000 in doing it. That is one illustration, and is one of the big things which this partisan commission find and send broadcast over this country as evidence of mala fides on the part of the former Administration.

Mr. AMES: If I understood my hon. friend rightly, he said that 282,000 cubic yards went in at 30 cents a cubic yard?

Mr. CARVELL: Yes.

Mr. AMES: Where was that put in?

Mr. CARVELL: In the thousand feet, in place of the steel.

Mr. AMES: Where were the 205,000 cubic yards put in?

Mr. CARVELL: In the approaches.

Mr. AMES: In two different places?

Mr. CARVELL: At each end.

Mr. AMES: That would be 487,000 cubic yards?

Mr. CARVELL: That is right.

Mr. AMES: Part of it at 30 cents and part of it at $1.10¼?

Mr. CARVELL: No doubt of it at all, and these approaches would have to be put in, no matter whether steel was put in the middle or not, unless wood trestles were put in. That is another question entirely; but if you want to build a railroad, you want to build a proper one, and not put in wooden trestles that will burn down. My hon. friend has understood my meaning. I did not have to read the report because I knew all about it beforehand. I have been on the spot and have seen the work. My hon. friend will find it all in the report, if he will only spell it out. The commissioners, however, never intended it to be spelled out; they intended to create the impression that a huge steal had been made; that the contractors had agreed to build this at 30 cents a cubic yard, and had received $1.10 for doing it. That is only one instance of the unfair statements made by the commission from beginning to end. Their very conclusions are intended to give the same impression. They will be found on page 97, as follows:

> When it was discovered that the cost of this fill was to be so largely in excess of the estimate the local officials should have reported the matter to headquarters, when some means might have been found of overcoming this extra expense, involved by borrowing 205,876 cubic yards of rock at $1.10½ per cubic yard.

When the commission are putting it down in black and white, they are very careful to use the amount which went into the approaches. They did not say that this went into the fill; they tried to leave the impression that something crooked took place over the filling of that Coal Creek fill. My hon. friends would say: Give us a wooden trestle, 75 feet high and 2,000 feet long.

Mr. GRAHAM: They would not say so.

Mr. CARVELL: No, I do not think they would, but the commissioners say so. The other commission said: We will build solid approaches to within a thousand feet and then we will put in a steel viaduct. They were able to make an arrangement by which they got this approach filled up with solid material, and it is there for a thousand years or for ten thousand years if the world lasts that length of time. Would a steel viaduct be as good a piece of railway construction as solid rock fill? Would it be as much in the interest of the country? Yet that solid rock fill has not cost the Government of this country one dollar more than it would have cost to put in a steel trestle. The commission criticise this as one of the great examples of extravagance, and I think you will not have very far to go to read into it as one of the examples of fraud in making up this $40,000,000.

Let me give a few more illustrations of matters about which I know very well. If my hon. friend from St. Antoine (Mr. Ames), who is doing me the honour to follow me very intelligently, will read this report through, as I am satisfied he has done, he will find that these commissioners take up every one of those twenty-one contracts seriatim. In the first place they give the number of tenders, the amounts of the tenders, the successful tenderers. They give then the estimated quantities and the actual quantities. I do not for a moment wish to deny that the actual quantities differ from the estimates. I do not want to deny that there is a larger quantity of classified material than there was in the estimates. I do not think it makes any difference whether there is or not. The question is not what the engineers estimated. It is what the contractors found. When they say that they found 1,000,000 cubic yards of solid rock, the question is, did they find that quantity. If they say that they found 2,000,000 cubic yards of loose rock, the question is, did they find that quantity. Is an official or a Government to be bound hand and foot by an estimate made by an engineer as to the probable cost of something 100 feet under the surface? It would cost a huge sum to bore test pits on every cutting in the rock. It would take years to do it and would be simply impracticable. All that engineers can do is to use their very best judgment. In this case they did so. They found that they could tell practically the number of cubic yards of material to be removed. They said: We believe from our observations that there will be so much loose rock and so much solid rock to be excavated. If it turned out that they were wrong in their estimates, is that an evidence of fraud? It is put forward in this report as such, and I am afraid that, before this debate is over, some of my

hon. friends opposite will say—yes, my hon. friend from North Grey (Mr. Middlebro) read to-night from one of the contracts the estimate made of solid rock and the actual quantity of solid rock, and I believe that he has gone home feeling justified that there is a big steal because there turned out to be more solid rock than the engineer estimated. Yet he did not do himself, nor this House, nor the commission, nor the contractor the justice to get at the bottom of the work and find out whether that cut was properly classified or not.

Another very common mode of finding fault with the construction of this railway is to say that the contracts were sublet. I am coming to that in a moment. I would like my hon. friend from St. Antoine (Mr. Ames), when he follows me as I presume he will, to tell me how in the world you would build a railroad in any other way than by subletting the contracts, and how you would go to work to let the construction of that road, 200, 300 or 400 miles in the wilderness to men who are able to take ten miles and build that amount of the road. Let us forget that we are talking politics; let us forget this Lynch-Staunton, Gutelius report and get down to common sense. This matter has been referred to by my hon. friend from South Renfrew (Mr. Graham). I only refer to it here by way of illustration. When my hon. friends opposite are called upon to act, they act in exactly the same way as our party has acted, as any business man will act. When it came to letting the Hudson Bay railway, they let it in 150 or 200-mile contracts. Why did they not let it out in ten-mile contracts? When it came to the Welland canal, they let it out in contracts for $1,000,000 to $6,000,000. Why did they not divide that up into smaller contracts so that the small fellow with the steam shovel and perhaps a few horses could go in and do the work? They know that that man could not do the work. They did not let out the Hudson Bay railway in ten-mile cantracts to small men, because they know that the small men have not the finances to carry on the work. They let it out in big contracts for the very same reason that the Transcontinental Commission let it out in big contracts; because in doing so they were sure to get men of sufficient financial ability to ensure the construction of the road with no loss to the Government. I wonder if my friends opposite were ever on railway construction work? I wonder if they know anything about the work connected with the construction of a railway? Do they realize that the main contractor—we will say M. P. Davis, because he seems to be the bête noir of my friends opposite when he takes the contract for the construction of 100 miles of railway in a wilderness section of Quebec or Ontario, has to finance the undertaking from start to finish? Do they realize that when he lets the work to a sub-contractor he has to stand behind him financially? Do they realize that he is the man who has to advance the money to that sub-contractor with which to buy horses, wagons, ploughs, picks and shovels? Do they realize that the main contractor has to take the responsibility for the wages that are paid? Do they realize that if the sub-contractor goes broke—as he has done many times—the main contractor is the man who has to stand behind him? Do they realize that horses die and are killed in the course of the work? Do they realize that it takes possibly $100,000 of machinery to carry out a fifteen or twenty mile contract? Do they realize that that machinery depreciates in value at least 20 per cent in one year? Who is going to furnish this $100,000 of machinery? Your small contractor cannot do it. Can a man with half a dozen horses, a few dump carts and a pile of twenty pound rails finance a scheme like this? The commissioners appear to think that he could. If these commissioners know anything about railway construction they are crooked; if they do not know anything about railway construction they should never have been put on the job. I do not know that any other argument is necessary to meet the assertion of the commissioners with regard to sub-contractors.

My hon. friends opposite proceed to say: Oh, the sub-contractors made money; they made profits on the work. With regard to every one of these twenty-one contracts, in order to prejudice the minds of the people of this country and make them believe that the men connected with the work were crooked, they tell you the prices received by the main contractor and the prices at which he sublet the contract. This they did, forgetting that the main contractor has to advance the money; forgetting that he has to put up the plant; forgetting that he has to supply the horses, the machinery, the bread which the men eat; forgetting that he has to stand all the loss that takes place. Yet they say, figuring the price which the main contractor got and the price at which he sublet the contract, that so much profit is shown and that the contractor put this money in his pocket, never

having lifted a finger to earn it. I can only say again that if they believe that, they are not fit for the job, and if they do not believe it, they are crooked.

Mr. AMES: What did M. P. Davis do for his $740,000?

Mr. CARVELL: My hon. friend cannot get me away from the subject which I am discussing; he will have an opportunity later of talking as long as he wants to.

Mr. AMES. What did he give the country for his $740,000?

Mr. CARVELL: That was an assignment of the main contract. I will tell you what he did, he put up the deposit which my hon. friends opposite say was so large; he left that deposit there until the work was completed, and took the chances of losing it if the work was not completed according to contract.

Mr. AMES: Was $740,000 not more than double the amount of his deposit?

Mr. CARVELL: I do not know, and I do not care.

Mr. AMES: You should know.

Mr. CARVELL: I suppose Mr. Davis made a dollar on the contract, just as my hon. friend makes a dollar on his shoe business, and does not do anything for it, either. I am finding no fault with my hon. friend because he does not drive the pegs himself; he has his money invested in the business, and I think he is entitled to a reasonable profit. My friends opposite will commence to see, I am sure, in what a ridiculous position they are placing themselves in respect of their commissions. By the time we are through with them, they will curse the day they ever thought of Gutelius.

Mr. REID: Do not swear.

Mr. CARVELL: Yes, and they will curse the day or night they ever accepted his report. The hon. member for Colchester (Mr. Stanfield) laughs; he has had something to do with Mr. Gutelius. Last summer the hon. member for Colchester was going to resign on account of Gutelius.

Mr. STANFIELD: That is a mistake; I want the hon. gentleman to withdraw that assertion.

Mr. CARVELL: I will withdraw it, but that is what the newspapers said. At any rate, my hon. friend will not deny that he made a very hurried trip to Ottawa on account of Gutelius.

Mr. STANFIELD: I did not.

Mr. CARVELL: Well, I will withdraw that also, but a good Tory newspaper in my hon. friend's own town must be wrong.

Mr. MACDONALD: A newspaper that the hon. gentleman owns himself.

Mr. CARVELL: My friends opposite are not through with Gutelius by any means. I can prophesy this much: just as soon as the hon. acting Minister of Railways becomes Minister of Railways and Canals he will be through with Gutelius.

Mr. MACDONALD: They do not intend to keep him.

Mr. REID: The best man we ever had.

Mr. CARVELL: My friend the Minister of Marine and Fisheries (Mr. Hazen), who, I am sorry to say, is not here to-night, has had something to do with Gutelius, and he is not through with him either. There are a lot of Tory politicians in the Maritime provinces who know something about Gutelius, and who wish they were through with him.

As I have said, these two gentlemen have pointed out the profits made by these contractors. I want to give to the House, from my own personal knowledge, two illustrations of the almost dishonesty of these statements.

Mr. GRAHAM: Why use the word 'almost?'

Mr. CARVELL: The matters to which I am about to refer were within the knowledge of Gutelius and Staunton, or if they were not they ought to have been, because they were matters of public notoriety in the province of New Brunswick, having been threshed out in the courts in the provinces of New Brunswick and Quebec. As a matter of fact they referred to these very matters in the report itself. Referring to contract 3, on page 27 of the report, the commissioners give the price which the main contractor received, and the price which the sub-contractors received. They say:

The value of the work done by sub-contractors at their rates..	$280,766
Amount paid Toronto Construction Company for their work	352,291
Profit..	72,145
Percentage of profit, 20 per cent.	

On another part of the page they say:

> The Toronto Construction Company had four firms of contractors who undertook the grading on this forty-mile stretch, and another firm of sub-contractors for the concrete work. We

are, however, advised by the Toronto Construction Company that their concrete sub-contractors failed and they were obliged to finish the work themselves.

I am reading this from the report of the commission, thus showing that the investigators had gone into the thing deep enough to know the whole story. The facts are that the concrete man fell down on his work—that is just one of those things to which I have been referring. The contractor falls down on his work and the loss is sustained by the main contractor. In this case a man named Ferguson was sub-contractor. He went wrong. I am not going into the details, but in the end the main contractors were obliged to pay him $10,000 to get rid of him. That this amount was a total loss to the main contractors was sworn to in court both in the province of New Brunswick, and in the city of Hull, Quebec. Then they were compelled to fight two lawsuits on account of this sub-contractor. One was a case tried in the constituency of my hon. friend from Victoria and Madawaska. As usually happens in cases of that kind, the verdict went against the corporation and the Supreme Court set it aside. Another suit was by an Italian, against this construction company and that was fought out in Hull. As usual the verdict went against the corporation. It was taken to the Court of Review, argued twice in Montreal and finally decided in favour of the company. I want to tell my hon. friend that to my own knowledge these two lawsuits cost this company $6,000 to $7,000. There is a case where $16,000 or $17,000 was absolutely lost, and instead of that company making a profit of $72,000 that meant that they lost $16,000 of that profit. This is a small matter, but it takes off a pretty big slice from the $72,000. These are matters about which Messrs. Gutelius and Staunton should have known and I believe did know and yet they did not hesitate to publish to the House and to the country that this company made $72,000 out of the contract.

Mr. MACDONALD: What is the total value of the contract?

Mr. CARVELL: $350,000. Another illustration is on contract 5. I have explained to the House the arrangement made between the commission and the different contractors that they would have a right to put in what they called rock borrow at $1.10¼ per yard. What I am saying is a matter of co mon knowledge, not only amongst contractors on the Transcontinental in New Brunswick, but among many other people as well. You will find at page 29 of the report the particulars of this contract No. 5. This was the big contract, the contract in which occurred the big viaduct, the contract which cost most per mile of any on the whole road. The commissioners give here the main contractor's price and the sub-contractors' prices, as in every other case, and figure out that the main contractors made I think something like $699,000 profit. But that was on a big work amounting to $2,518,000. They say this was a profit of 27¾ per cent. One of the sub-contractors of the main contractors were two young men, sons of one of the principal stockholders in the main company. And these two young men took the contract for this rock borrow, for which the Government paid $1.10¼ per yard, at the ridiculous rate of 75 cents per yard. I do not know why it was done, but it was done anyway, and you will find at page 30 the report of this sub-contract; solid rock borrow, main contractors, $1.10¼, sub-contractors, 75 cents. It was necessary to have one of these big fills put in as early as possible in order to get the steel to the big viaduct. The result was that these sub-contractors worked day and night and summer and winter for a year and a half to get it through and lost about $50,000 on the transaction. The sub-contractors did not have that much money, or anything like it. The result was that the $50,000 came out of the main contractor—and Mr. Gutelius knows it, or ought to know it. There is not a contractor on the Grand Trunk Pacific in New Brunswick but knows it, hardly a business man but knows it. They know that the main contractor lost about $50,000 on this rock borrow and this $50,000 should have come off the profit; but Mr. Gutelius and Mr. Staunton do not say that, they do not hesitate to tell the House and the country that these men have made all this profit. I venture to say that if you went from Moncton to Winnipeg and could find out the inside history of all these contracts you would not find a contract on the whole road that was free from such things as this.

Mr. AMES: Why did the main contractors have to pay that $50,000? Were they legally bound or was it just because of the relationship between them?

Mr. CARVELL: They had to pay it. Does not my hon. friend know that they had to pay for the wages and the supplies? These

young men did not have any steam shovels or any heavy plant. They had to buy three steam shovels and a lot of donkey engines and track equipment, as well as furnishing probably thirty of forty horses. They had to spend $100,000 on plant to carry out the work. These young men did not have the money, they were like the rest of the sub-contractors; and the main contractors advanced the money with which to buy the plant.

Mr. AMES: They loaned it.

Mr. CARVELL: All right, they advanced it anyway, they paid the money out. Then they had to pay the wages every month and whatever the expenses were and when they came to settle the matter up in the end they found they were $50,000 out of pocket. That is the way it works out, that is what I have been trying to explain and I do not believe that there is any contract on the road in which you will not find that something has happened exactly as I have described in reference to contract No. 5.

Mr. GUTHRIE: Is there anything in the evidence about the $50,000?

Mr. CARVELL: No, I am saying that it is well known to every contractor in the Maritime provinces. It is something about which my hon. friends can satisfy themselves, the commission can give them the information. The chief engineer knows all about it, he has been over the work again and again. Mr. Woods, the chief engineer of the Grand Trunk Pacific, knows all about it. They all know all about it and I believe that Mr. Gutelius and Mr. Staunton knew all about it, but they took mighty good pains not to say anything about it.

I have given you three illustrations taken from these contracts in New Brunswick that I know all about myself, and I have pointed out the manner in which these gentlemen have, in my judgment, absolutely suppressed the evidence necessary to give the real facts of the case. Do you wonder that the hon. member for South Renfrew told you that he did not believe the Government believed in the truth of this report, and do you wonder that we attack it and ask this House to pass an amendment to the motion to go into Supply, condemning the Government for asking the country and this House to accept such a report?

We have heard a good deal about the question of overbreak and improper classification. I have described the classification. I am going back now to another phase of it. My friends say that there was practically collusion existing between the commission and its engineers and the contractors by which the contractors were allowed to take out much larger quantities of solid rock than were necessary because they were getting a big price for it and making money out of it. Witness after witness was examined as to how much overbreaks ought to be taken out. One man said from 25 to 30 per cent. I think the commission find as a fact that a man ought not to be fined if he takes out 20 per cent more than the actual prism measurement of the cut. My friend the acting Minister of Railways will understand that if you put in a blast of explosives and you have a rock face of 10, 20, 30 or 40 feet high, you have to take that out wide enough and deep enough to meet your prism measurement, you cannot hew that as you would with a chisel. You have to put in enough explosives to take it out, because if you leave what is called a toe at the foot it will cost you three or four times as much to take that out as it is worth.

In every case they took out more than the actual amount required. As I stated before, the commission found that twenty per cent would not be an unreasonable amount, but evidence was given by engineers to the effect that twenty-five per cent or thirty per cent would not be unreasonable. In contract 'F' it was admitted that they took out more than twenty-five per cent in many cases. The engineers said they wanted the material to fill up holes and the chief engineer said: You must get out so much every month. And they took it out and filled up the holes and very little material was wasted. Trouble arose about this overbreak. They said it was unfair classification and therefore something which should be condemned. We threshed this out in the House time and again between 1907 and 1910, and in the end it became so serious that a board of arbitration was appointed and sent out to make a report. My hon. friend from Renfrew has already referred to that. I need only say that under the National Transcontinental Act, in case the engineers could not agree upon any question of this kind, it was to be referred for final decision to a board of arbitrators composed of the chief engineer of the commission, the Grand Trunk Pacific engineer and a third man to be appointed by them, if they could agree. If they could not agree, the third man was to be appointed by the Chief Justice of Canada. They failed to

agree and the Chief Justice appointed Mr. Collingwood Schreiber. They went out on the work and finally found that about 525,000 yards of overbreak was taken out more than should have been. They said the contractor must not receive pay for that 500,000 yards. Messrs. Staunton and Gutelius report that the amount should have been a little over 700,000 yards, but my hon. friend the acting Minister of Railways knows that since this Government came into power they have settled with that contractor not for 500,000 yards, not for 700,000 yards but for a sum not much more than half the cost of the 500,000 yards.

Mr. J. D. REID: I do not know anything about that.

Mr. MACDONALD: Who was the contractor?

Mr. CARVELL: J. D. McArthur.

Mr. GERMAN: When did they settle?

Mr. CARVELL: Since this Government came into power. They have paid that man probably a quarter of a million dollars more than the arbitrators said he should have got.

Mr. GERMAN: I think the minister should know that.

Mr. CARVELL: It is another proof that they do not believe the Staunton-Gutelius report. They know it is not a fair report. Either it is a fair report or it is crooked, one or the other; if it is straight, the Government is crooked, and they can take which horn of the dilemma they like.

Mr. MACDONALD: They are both crooked.

Mr. CARVELL: I am not making any assertions. I am only giving the arguments and my hon. friend the acting Minister of Railways can make the application. The more we delve into this thing the more we feel that the minister, at least, realizes he has made a mistake. They were so anxious for political capital against their opponents that they chose two men not one-quarter big enough for the job, who simply went at it blind and reported everything that came into their small minds in order to hurt their opponents. Now the whole thing is acting as a boomerang against the men who have to father the report. And that report is to be sent broadcast all over the country. I am told that they are printing a quarter of a millions copies, so that one may be put in the hands of each elector, to make a little political capital for themselves. But I hope that my hon. friend, now that we have pointed out the iniquities of the report, will cancel the order and leave well enough alone, or bad enough alone.

Mr. GRAHAM: The people will cancel the Government.

Mr. AMES: I would like to ask the hon. member a question. Did it ever strike him as strange that there was no trouble about overbreak on the line between Graham and Port Arthur where the Grand Trunk Pacific used wooden trestles?

Mr. CARVELL: I do not know anything about it. We are not investigating that part of the line. The Government of this country did not build that portion, but the Grand Trunk Pacific. My hon. friend may know. He has been over the line, but I have not. I do not see the application. If my hon. friend will point out to me any section of the National Transcontinental railway on which that occurred, I will try to answer him. I do not think he can.

Mr. AMES: If you wish me to make my point clear I will do so.

Mr. CARVELL: I understand the point of my hon. friend. He says that there were wooden trestles on the Grand Trunk Pacific line from Graham to Port Arthur and no overbreak on that road. I do not know anything about that. The Government of this country had nothing to do with it. My hon. friend might as well say there was no overbreak on the Canadian Pacific railway through the Rockies.

Mr. AMES: The hon. member recognizes the significance of my question.

Mr. MACDONALD: Has the hon. member seen the classification on that road?

Mr. AMES: That is not the point. The point I wish to bring to the attention of the House is this: wherever there was not a demand for an unnecessary fill, there was not a corresponding increase in overbreak.

Mr. CARVELL: Is my hon. friend such a simpleton as not to know that these holes have to be filled up some time? If the Grand Trunk Pacific chooses to fill these trestles two or five years from now, or the Government chooses to fill them as construction proceeds, where is the difference? I do not know what my hon. friend is driving at.

Mr. AMES: There is a great difference in the price of material used.

Mr. CARVELL: I want to ask my hon. friend a question. Will he tell me why this Government has not obeyed the findings of their arbitrators, and why they have allowed McArthur a quarter of a million dollars more than he ought to have got according to the findings of the commission?

Mr. AMES: You will have to ask somebody else.

Mr. CARVELL: When my hon. friend is asked a question germane to the issue he gets behind anything, rather than give a straight answer. He knows the trouble.

Mr. AMES: I do not.

Mr. CARVELL: And others know the trouble too. A great deal has been said about the over-classification of cemented material. The board of arbitration sat upon that question as well. I want to tell my hon. friend what took place in my own province.

There is a statement to be found on page 24 of this report, which I want to read, as follows:

> Excepting where Mr. Hays urged the cancellation of contracts Nos. 16 and 17, and where he gave his not too strong support to District Engineer Doucet, in his efforts to have a pusher grade at La Tuque, and where the company offered to do train-hauled filling after the railroad was completed at half the cost paid by the commissioners, appreciating the gravity of our statement, we unhesitatingly find that the Grand Trunk Pacific Railway Company, instead of discountenancing, has rather encouraged this inexperienced commission in its extravagant expenditure on this railway.

Mr. Speaker, there is no more dishonest statement in the whole 500 pages of this document than that, and dishonest to the knowledge of the men who make it. You will find, if you look at the evidence of Mr. C. Foss, district engineer in 'A,' that a gentleman by the name of Bullion was appointed district engineer under the Grand Trunk Pacific, having control of the whole of the New Brunswick section. Mr. Bullion not only made one objection, but dozens and dozens and dozens of objections, and you will find them in Mr. Foss' evidence. He made two hundred objections about all sorts of things in connection with the work of the engineers in the province of New Brunswick. He objected to classification, to measurements, to putting in certain foundations for culverts, to everything that you can conceive of. There was nothing to which he did not object. We had the same thing in the Hodgins investigation. From one end of the road to the other, these Grand Trunk Pacific engineers were objecting to what the commission's engineers were doing. It was one series of objections from beginning to end, and I find no fault with these men for making objections. They themselves probably did not believe in them, but their duty was to keep the cost of this road down to the minimum. Their idea was to build this road as cheaply as they could, because they were paying interest at three per cent on the total cost after completion. In the province of New Brunswick they objected hundreds of times and then they got together, compromised and did the best they could.

But it finally reached the point where Messrs. Woods and Foss got together and they settled a number of these things. In the end it got down to where they could not settle anything more, and they asked that a board be called in to arbitrate. A board of arbitrators was sent down, and it was composed of Mr. Gordon Grant, Mr. Kelleher and Mr. Collingwood Schreiber. They went down and went over the whole of contract No. 6. They got off their car, dug into the bank, the same as my hon. friend did, called witnesses, both Grand Trunk Pacific and commission engineers, they investigated the matter, and on contract 6 they took out a very small amount from the rock classification. They then went down to contract No. 5. You will find it all detailed in Mr. Foss' evidence, and I know because I was on the ground myself. They went down from Grand Falls to the big viaduct on contract No. 5 and investigated the question in dispute there. They went to Plaster Rock and investigated there. They went to contract No. 4 and to contract No. 3, then to No. 2 and then to No. 1. They went through all the cuts and examined them, and we will see that the board unanimously approved the finding and the classification of the Transcontinental Railway Commission engineers and that not a yard was taken out of their estimate except a small amount out of contract No. 6.

That was supposed to be finally settled. The contractors, to a great extent, paid off their sub-contractors because they supposed that that was the end of it. But after the change of Government and after Mr. Gutelius got busy, they sent other inspecting engineers. They sent this same man, Goodwin, down three years after the cuts had been taken out. This was three or four years after the cuts had been taken

out, after everything had dried up, after the rain had broken up the small pieces, and after the surface had all been smoothed down and the grass had grown up. There was an entirely different condition of affairs. The net result of Mr. Goodwin's and Mr. Gutelius' efforts with reference to contract No. 1, a contract involving $2,000,000, was that they reported that about $45,000 should be taken off this whole amount after it had been settled by the Board of Arbitration. That was a Grand Trunk Pacific contract, too. Then they came next to contract No. 2, but they did not touch that at all. Contracts Nos. 3 and 4 were sub-let to the Toronto Construction Company, and they took about the same amount from them. Then they came to the Kitchen contract—contract No. 5—and they took about $35,000 from him.

Either these men were right or they were wrong in taking from the contractors this amount of money, either they were honest or dishonest, either they were ignorant or they were knowing—I do not know which they were, and my hon. friends can take whichever horn of the dilemma they choose. If Gutelius and Goodwin were right in taking that $35,000 from the Kitchen contract, they should have taken it off and kept it off. If they were right in taking $35,000 from the Corbett contract, they should have taken it off and kept it off. But they were up against men who knew as much as they did, and both Corbett and Kitchen said: We will not allow this thing to take place; we will fight you. Having got up against two men who had a good deal of sand and a little money besides, they said to them: Come, let us reason together, let us see if we cannot compromise this matter; we say that the commission should take this money off, but we do not want to take it off; let us get together. The result was that they allowed on No. 1 contract about $18,000, and on No. 5 about $15,000. I want to know if these men are big enough for their jobs. If these men were right in taking off that money, were they right in making the compromise and in paying money which they ought not to have paid? Remember, they had the money in their own hands. At that time they had probably $100,000 of Mr. Kitchen's money in their own hands, probably more. Although they had that amount of money in their hands, did they keep it out? No, Sir, they did not keep it out. They quibbled, but when they found they were up against a lawsuit they backed down.

Mr. AMES: Had the contractors the engineer's certificate?

Mr. CARVELL: The contractors had the ordinary progress estimates.

Mr. AMES: Signed by the engineers?

Mr. CARVELL: Certainly, they got them month by month. But my hon. friend cannot get behind that. If my hon. friend will read the contract he will find that everything is put up to the final decision of the chief engineer. No matter what the progress estimates say, it is the chief engineer who decides, and if they cannot agree with the chief engineer, then it is submitted to arbitration. It only comes back to this again that these men, in order to find fault with the former commissioners, in order to prove that there was something crooked, started in to do that which they did not have the manhood to stand up to and see through to the end. Then they said that they could take $35,000 off these contracts, but they did not have the sand to stand by that declaration, and when they found themselves face to face with a lawsuit, and when they found themselves up against the judgment of bigger men than themselves, they backed down, just as you would expect men of that class to do, and they said: Let us settle this. These contractors, rather than have a lawsuit over a paltry sum of $15,000 in a contract involving $2,000,000, accepted the settlement. They will go before the country and they will say: look at these crooked engineers, they allowed Kitchen $15,000 more than they ought to have allowed him, and we will make him give restitution. That is an illustration of what has been going on, ever since these gentlemen took possession of this road in 1911.

Mr. KYTE: Are these district engineers still in the employ of the Transcontinental Commission?

Mr. CARVELL: Some of them are. Mr. Foss was kept in their employ until the month of January last and then he was told that they had no further use for him. I do not know why they kept him; he had nothing to do and they paid him a big fat salary for doing it. I am glad they did, however, because he is a man for whom I have the highest esteem. There was no-

body more surprised than Mr. Foss at being kept on, but I presume they kept him on for some purposes. There are some lawsuits that are not settled yet, and perhaps they kept him on to have a string on Mr. Foss, but if they did they did not know their man, and when the lawsuits come on, as probably they will, you will hear of Mr. Foss and have his opinion put up against that of Mr. Gutelius.

I am sorry the Minister of Marine is not here, because I have a few things I would like to say in his presence, and I am also sorry the Prime Minister is not in the House. As an eastern man, if there is one statement in this most remarkable document to which I take more violent exception than to another, it is the concluding paragraph of the report, at page 138, which reads:

> This commission does not think that the National Transcontinental railway should have been constructed east of Lévis, which was done at a cost of $35,000,000, first,—because the Government at that time had a railway in operation between Lévis and Moncton, the Intercolonial; second,—because the National Transcontinental railway would only be thirty-three miles shorter; third,—because the gradients on the National Transcontinental railway are greater than those on the Intercolonial railway; and fourth,—because the grades on the Intercolonial railway can be reduced to four-tenths per cent, eastbound and six-tenths per cent westbound, whereas it is practically impossible according to the construction of the National Transcontinental railway, to reduce the 1.10 per cent grade at 146 miles west of Moncton and the 1.10 per cent grade at lake Pohenagamook.

There are two reasons why I violently dissent from the conclusion found in that statement. In the first place, while it may not be a false conclusion, it is an unfair conclusion from the facts. They attempt to leave the impression that the general grades, on that portion of the road east of Lévis, are greater than they are on the Intercolonial. These gentlemen know better than that, but they also know there are thousands of people in the country who will be deceived by the false statement they are making. It is a fact that there are two points on the road, between Lévis and Moncton, on which there is a grade of 1·1. The reason for that is, that they figured out that two engines will draw the same load on a 1·1 grade that one engine will on a 0·4 grade. Therefore, in two cases where the cost of making the 0·4 road would be exceedingly excessive, they resort to what is called a pusher grade. In one case, it is something like ten or eleven miles long, and in the other case it is thirteen miles long, and these grades are on different divisions. This means that for heavy traffic they would simply have to keep an extra engine at the foot of these grades. On the 500 miles between Quebec and Moncton there are only two spots where they have exceeded the ruling grade of 0.4 east and 0.6 west. But if the present Government introduced these grades everywhere, then you would have to keep an engine everywhere there was such a grade, and you would be reducing the hauling capacity of the road to a one per cent road. That is a thing that these commissioners did not report to the public, but they tried to leave the impression that this road is practically a one per cent road. They know better than that.

These gentlemen find a great deal of fault with the construction of the Little Salmon river viaduct. I know that my friend from St. Antoine will say that Mr. Foss advocated the construction of pusher grades at the Little Salmon river viaduct, and I admit that. But if that had been done, the character of the road would have been degraded. The hon. member will have to know something about the history of the location of this road in the province of New Brunswick to understand the real reason why this report was made. It was made for the purpose of eliminating expense, and Mr. Foss stated that probably one and a half million dollars or a little more could have been saved by putting in a pusher grade across the Salmon river, a few feet above the water level, rather than building a viaduct. But if that were done you would be getting back to what the Intercolonial is; you would be degrading the whole road. If you put in that kind of grade at Coal creek and Chipman crossing, you would have the same condition of affairs. It is purely a question of policy whether the Government should have adhered to the 0.4 road or not. I do not have to call on the evidence of engineers to tell me that you can haul more freight and haul it cheaper over a level road than you can over a hilly road. Neither do I have to be told that on a velocity grade, if you strike a slippery rail, or if your engine is not steaming properly, you are stalled, and there is nothing to do when you are stalled but cut your train in two, haul over the hill what cars you can, and then come back for the rest, losing several hours and eating up all the profit you get for carrying that freight. Any man who ever drove an automobile knows what you can do and what you cannot do on a velocity grade. He knows that you start down a hill on one side, and sometimes you

12 m.

will get over the opposite hill, if everything is all right, but sometimes your carbureter is out of order and you will get stalled.

Or it is a question whether your gasoline is as good as the last tankful was. It is a question of a hundred different things. The same question that applies to a man driving an automobile over a velocity grade applie to an engineer who is trying to haul freight over a velocity grade. While I am not an engineer, I profess to have some common sense. So far as I am concerned, if there is anything for which I give the old commission credit it is for the fact that they were willing to accept the opinions of the best engineers in the world; that they wanted to build a road that would carry the grain from the West to the seaboard and carry back the manufactured articles.

There is one thing that my hon. friends have failed to recognize in all this transaction. We were not doing as the former Conservative Government did, when they subsidized the Canadian Pacific railway. I am not finding any fault with the Government for the assistance they gave to the Canadian Pacific railway. I have a wonderful admiration for the Canadian Pacific railway except at election time. I am a very good friend of the Canadian Pacific railway and they are very good friends of mine except at election time. When an election comes on, they absolutely put out of my constituency every man who they think will vote for me.

Mr. MICHAUD: And send him up to my constituency

Mr. CARVELL: Yes. As a railway corporation they have done a wonderful work in developing and opening up Canada. The old Conservative Government gave them $25,000,000, some million dollars of completed road and land which is worth at least $300,000,000 to them. They exempted them from taxation; they gave them a subsidy on pretty nearly every mile of road they own in Canada. The Conservative party have assisted them in every form from the beginning of the road down to the present day and they are still assisting them. They are assisting Mackenzie and Mann; they gave them $17,000,000 last year and are going to give them $50,000,000 this year.

Mr. AMES: Not on your life.

Mr. CARVELL: My hon. friend from Calgary is not here, so I am safe in making this statement. Remember that every dollar of money, every acre of land, every exemption from taxation, everything which they have given to the Canadian Northern railway or the Canadian Pacific railway, they have given to those railways. It has gone from the people of Canada. We have no string upon it; we shall never get it back; we do not expect to get it back; it is theirs and theirs absolutely. Every dollar we are putting into the National Transcontinental railway is our own money, no matter whether it be $161,000,000, or whether you add compound interest for the next fifty years and make it $300,000,000 or $400,000,000 by simply compounding the interest long enough, no matter how much the road may have cost in the gross or per mile, no matter whether we have absolutely solid fill instead of wooden trestles, no matter whether we have steel bridges instead of wooden ones, no matter whether we have 0.4 per cent grades on which we can haul 2,000 or 2,500 tons per train as compared with 800 or 900 tons on the best road in Canada outside of the National Transcontinental railway, no matter what conditions may exist the Nation Transcontinental railway belongs to the people of Canada. We are leasing the railway to a company which will pay us three per cent for forty-three years, and at the end of that period every dollar put into that road, every dollar of improvement upon it, every bit of improvement that has taken place in the country along the location of the road, everything that has gone into that road will come back absolutely to the people of Canada, exactly as we gave it to the railway only made more valuable by the improvements, by the opening up of the country and by the business developed. In my judgment it is one of the finest assets which the Dominion of Canada possesses to-day. If I had not enough faith in the future of this great country to justify the building of a road like that, when it is our own road and will come back to us, I would consider myself a pretty small Canadian and not fit to occupy a seat in this Parliament or in any other parliament in Canada. When my hon. friends come to discuss this question I hope they will not fail to realize the difference between the fact that, as far as other railway companies are concerned, we are giving money away by tens and hundreds of millions of dollars, whereas in this case we are putting the money into our own road; we are going to receive interest on it for forty-three years and then the road will come back to us and will be the property of Canada and of every man who lives in Canada. There is every difference in the world between the two

cases. What is the use of handing over to the Grand Trunk Pacific Railway Company to operate a road built of wooden trestles, with velocity grades on which you cannot do business. What is the use of it when it comes back to us? If they fill these trestles later on, we shall have to pay for the work. My hon. friends do not imagine for a moment that the Grand Trunk Pacific Railway Company are going to fill these trestles. My hon. friends say: Oh, but we could have filled these trestles more cheaply than you did. They try to prove that by saying that the Grand Trunk Pacific railway said: We will fill these trestles for 25 cents a yard. Do they realize that probably 50 cents a yard was the average cost of filling up these holes? It is in the evidence; it is a well known fact, something that Gutelius and Lynch-Staunton took great pains to keep in the back ground, that it has cost practically 25 cents a yard to build those trestles. When those trestles have been built, you will have to cover them up. You cannot take them out and use them over again. The Grand Trunk Pacific Railway Company said: After the trestles are built for us, we will haul material and put it down there for 25 cents a yard. They could afford to do so but they would not build the trestles in addition to that. The ordinary contractor does not build standard trestles as a rule; he builds temporary trestles. The great majority of these fills were made with pony equipment, donkey engines as they are called. The contractors run out a trestle; they fill up a grade probably ten, fifteen or twenty feet; then they raise the grade and put another temporary trestle on top of that. It probably does not cost them more than three or four cents a yard for temporary trestles, whereas if they had to build standard trestles it would cost them 25 cents and the cost of filling them in afterwards. How much would the people of this country have saved if wooden trestles had been built instead of standard ones?

Mr. GRAHAM: Very little, if anything.

Mr. CARVELL: The commissioners take care to say, in regard to every one of these contracts, that the contractors make so much money on this and so much on that. In every case they say that the contractors made money on their train-hauled material. I believe that the contractors made more money on the train-hauled material than they ever expected to make, and I believe that there is perhaps no item in the specification that was so profitable to the contractors as was the train-hauled material, and why? When these gentlemen were called upon to tender, they only tendered for a price for train-hauled material per yard. These prices all averaged around forty or forty-three cents. They were basing their price upon their previous experience, and they had been building railroads of one per cent grades; they had never built a four-tenths road. When they got down to a four-tenths road they found that they were able to haul their material for a great deal less money than they could on a one per cent road. I do believe they made money on it; I will give my friends an illustration. In New Brunswick a firm of sub-contractors engaged on contract 6 had a splendid standard outfit, and could haul twenty to twenty-one cars of gravel to the trainload. That same firm are building a Gutelius road in my county at the present time—one of those tramways with seven and eight degree curves and over one per cent grades. It is costing the province of New Brunswick a nice penny to build it too. The province of New Brunswick has guaranteed the bonds for $25,000 a mile; it is one of those Tory political roads. Now they are coming back to the provincial legislature for an additional guarantee of bonds to the extent of $10,000 a mile, and I suppose they will get it.

Mr. KYTE: Where is the money going?

Mr. CARVELL: It is going into the hands of a Yankee by the name of Gould. I wish my friend the Minister of Marine and Fisheries were here, because he is particularly interested in that line. In addition they get from this Government a subsidy of $6,400 a mile.

Mr. KYTE: Is it let to sub-contractors?

Mr. CARVELL: Every yard of it. The contractor has not a shovel, a cart—even a horse. He has nothing there but an automobile.

Mr. KYTE: Send Gutelius after him.

Mr. CARVELL: Gutelius knows all about him; Gutelius is one of his particular chums. They are building one of Gutelius's favourite roads—the same contractors, with the same engines, the same shovels, the same outfit, and they are able to haul at the very best seven cars of material, and sometimes only six, to the train. This illustrates the difference between a four-tenths road and a one per cent road.

Mr. MICHAUD: Is it a surface road?

Mr. CARVELL: It is practically a surface road. There is no doubt of the fact that they are making a lot of money out of it. However, I am pointing that out merely to show the results of operations so far as the two different kinds of roads are concerned; when these contractors get on a four-tenths road I do believe they make money on their train-hauled material. Do you mean to tell me that if a man tenders for a contract against the whole world—and in every case the low man gets the contract—it being found later that he is going to make money on a certain portion of his contract, the Government should say to him: We made a mistake; you are going to make money on that particular part of your work; we will take that from you and you can finish the part of the work on which there is no profit? It is all very well for Gutelius to preach that principle, but no man knows better than he that that does not work out in actual practice. This is but another evidence of the utter nonsense of the whole report.

There is another reason why I object to the last clause of this report even more strongly than to the other misstatements it contains about the character of the road. If there is any portion of this Dominion which did not make any too good a bargain when it came into Confederation, it is the Maritime provinces. I do not say that these provinces would like to withdraw from Confederation; we are in, and perhaps it is best for us to stay in, but up to the present time it has been a losing game. We have had no opportunity of selling our produce to the rest of Canada; we have had to find a market for our produce, with the exception of coal, and, perhaps, potatoes, wherever we could. On account of transportation and tariff conditions, we have been compelled to buy our machinery, flour, clothing and, to a considerable extent, our manufactured articles, from the provinces of Ontario and Quebec. It has been a long, hard and up-hill fight. If the Maritime provinces have not increased in population as rapidly as the other provinces of Canada have, it is because of the economic conditions against which we have been fighting. We have paid our proportion of the $100,000,000 which has gone into the construction of canals, and we are getting not a dollar in return for it. We are paying our share of all the millions of dollars that have gone into great public works—millions of dollars in the harbour of Montreal, millions in the harbour of Quebec, millions in Toronto, millions in Vancouver, millions in Victoria, millions all through this country.

Mr. STEVENS: Millions in Halifax, millions in St. John.

Mr. CARVELL: Very few. We are coming to our own at the present time, but we started only four or five years ago to do it—no thanks to this Government. We have paid our shares, and we have paid it willingly. Any man from the Maritime provinces who will vote to sustain this report is a traitor to this country and has not the best interests of his province at heart. I will watch this vote with interest. I want to see what attitude my hon. friend the Minister of Marine and Fisheries will take on this question; I want to see what attitude every other member from the Maritime provinces will take in the matter. It is said that we should pay our share of the $150,000,000 for building a railway from Winnipeg to Quebec, though the Maritime provinces have no rights of extension in the eastern provinces, no right to obtain the benefit of cheap transportation from west to east or to build up their ports. Do my hon. friends tell me it is reasonable to expect the Maritime provinces to accept a situation like that? Are my friends the Prime Minister and the Minister of Marine and Fisheries going to vote for a proposition of that kind? If for no other reason than the nature of the conclusion of this report, I would feel that every man from the Maritime provinces, no matter on which side of Mr. Speaker he sits, is in honour bound to condemn this report not only by his word but by his vote and by every means in his power. It should be condemned if for no other reason than because of the gratuitous insult it offers to the people of the Maritime provinces in its concluding words. In the first place the matter to which it refers is a question of policy which was settled by the people of this country in two elections: it does not concern these commissioners at all. The report offers a gratuitous insult which I do not believe the Prime Minister knew was in the document or he would not have allowed it to be circulated in its present form. It is there, however, and the Prime Minister must take the responsibility.

Mr. SINCLAIR: The acting Minister of Railways approved the report.

Mr. CARVELL: I was not here and I did not hear his remarks. I must confess that I had a better opinion of him.

I think I may be pardoned if for a few moments I refer to a matter connected with the Grand Trunk Pacific railway which is not dealt with in this report. In the province of New Brunswick the people were led to believe that the city of St. John would be one of the terminals of the road. The late Government when in power had made arrangements to build the road of which I have been speaking, the Valley railway, which was to be the connection between the Grand Trunk Pacific railway and the city of St. John. My hon. friends the enemy have possession of things down there now; they are building a tramway, which I have described, which does not go within 25 miles of the Grand Trunk Pacific railway. It does not go to St. John, and they never intend that it shall go there.

It starts from the Canadian Pacific railway at Andover, and it is going to end on the Canadian Pacific railway at Westfield, at least that is my prophecy, and it will only be a matter of a week or so now until we see if my prophecy is correct. Years have gone by, and not a finger has been lifted to give St. John access to this great work. We are paying our share and getting no benefit, and as far as I can see years more will go by and we will not have any chance of participating in the benefits I wish that the Minister of Marine and Fisheries (Mr. Hazen) were here to-night. I hope that before the debate concludes he will take the people of New Brunswick into his confidence and tell them what he is doing and what he hopes to do in order to give his own city connection with this work, and put the people of that city in a position to receive their portion of the benefits which they have fondly hoped they would receive from the expenditure of millions on this great project. He is not here; I am afraid he will be as mum on this question as he was during the debate in this House on the famous Gutelius agreement by which our rightful freight business is carried by Mr. Gutelius, for one-half what it actually costs to transport it, away to Halifax. The hon. minister was very anxious to have a chance to talk about it, so anxious that he got the Minister of Public Works to adjourn the debate in order that he might discuss it later on. The resolution went to the bone pile and is there yet, it has never been called up and never will be. The minister has not had an opportunity to discuss it, he never will, and I am afraid he will be quite as silent in this debate as he has been on all other matters referring to his own city, his own constituency, and our great commercial port. These things are not in the report, but they are of great importance to all the electors of New Brunswick, and of more special importance to the electors of the Minister of Marine and Fisheries than all of us put together.

I have discussed this report at greater length than I intended. It is a rather fascinating subject; a man might speak for three or four hours to-day and go on for three or four hours more to-morrow because, Sir, it is, in my judgment, so unfair, so full of unfair statements, so unfair to the Liberal party, so unfair to the former commissioners, so unfair to Canada as a whole, that a man hardly has parliamentary language in which to describe his real feelings, not only towards the report but towards the men who are responsible for it—and when I use that expression I do not mean simply the two tools, Gutelius and Staunton, but I mean the whole Government that stands behind it. I hope that before the debate concludes the acting Minister of Railways will be convinced, as he must in fact now be convinced, that it is a partisan report, founded upon false premises, founded upon lack of evidence, a report not justified by the evidence, a report not in the interests of the country, and that he will see that the Government will either accept the amendment of the hon. member for South Renfrew or formally state in the House that they do not father the report, do not stand by it—because we know by their conduct that they are not standing by it—and that they will by their words say to the people of Canada, as they have been doing for months by their actions in allowing moneys which these men say should not be allowed and doing a hundred things which these men condemn, that they do not endorse the report. I have tried to present this matter exactly as I feel about it, not only from the standpoint of my native province but of Canada as a whole. As the hon. member for South Renfrew said, this is not a question involving New Brunswick or Nova Scotia, but a question involving the good name, the honesty, the business reputation and the financial standing of the whole of Canada. That report is one which I believe has done more to injure our fair name in the markets of the world than anything that has happened in our lifetime and is something which I hope never will be repeated. I certainly hope it will never be repeated merely for party purposes, for that has been the whole object and aim of this nefarious report.

On motion of Mr. Stanfield the debate was adjourned.

On motion of Mr. Reid the House adjourned at 12.30 a.m. Thursday.

Thursday, March 26, 1914.

The House met at Three o'clock, the Speaker in the Chair.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

NEW BRUNSWICK DREDGING.

Mr. CARVELL:

1. What persons, firms or corporations are engaged dredging for the Government in the bays, harbours and rivers along the coast of New Brunswick, except the harbour of St. John and the St. John river and its tributaries?
2. What amounts have each of these persons, firms or corporations been paid since October 1, 1911?
3. Who is the president, secretary and manager of each corporation?
4. Where has the dredging been done, and who have acted as inspectors for the Government?

Mr. ROGERS:

1. W. E. Forbes; Maritime Dredging and Construction Company, Limited; Eastern Dredging Company, Limited; W. J. Poupore Company, Limited; A. and R. Loggie; Peter England; J. S. Gregory; Northern Dredging and Construction Company, Limited; Felix Michaud; General Construction and Dredging Company, Limited; M. J. Poirier; F. A. Fowlie.

2. Maritime Dredging and Construction Company, Limited, $64,339.12; W. J. Poupore Company, Limited, $63,807.55; General Construction and Dredging Company, Limited, $28,347.28; Eastern Dredging Company, Limited, $10,792.24; A. and R. Loggie, $791.25; Peter England, $19,150.51; J. S. Gregory, $35,361.05; Northern Dredging and Construction Company, Limited, $180,112.03; M. J. Poirier, $1,707.20; F. A. Fowlie, $11,214.88; Felix Michaud, $5,144.91; W. E. Forbes, $2,195.94—total, $422,963.96.

3. Contracts are signed for Maritime Dredging Company, Limited, by Manning William Doherty, manager; Eastern Dredging Company, Limited, by Robert Loggie, president, F. P. Loggie, secretary-treasurer; the W. J. Poupore Company, Limited, by W. J. Poupore, president; A. and R. Loggie, by Andrew and Robert Loggie; Northern Dredging and Construction Company, Limited, by R. O'Leary, president; General Construction and Dredging Company, Limited, by W. A. Warren, president. No information as to names of other officers.

4. Localities and inspectors: St. Stephen, V. V. Vanstone, Walter J. Commins; Richibucto, John Curwin, Peter L. Richard, W. F. McKinnon, James Long; Shediac, Thomas Gorman, Eustace Legere; Miramichi Bay, R. Ahearn, Edward Kirby; Loggieville, D. McIntyre, R. Ahearn, F. J. Legere, G. McEwen, Robert England, Charles Stephenson; Caraquet, F. G. Legere, Charles J. Poirier; Campbellton, C. J. Robins, W. A. Murray, James Hamilton; Buctouche Beach, John S. Mullin, Zaddus Desroches; Dipper Harbour, Charles W. Masson, William Harkins; Chatham, D. McIntyre, Peter R. Moor, Frank D. Gunn; Little Aldouane, Pierre Babin; Newcastle, D. McIntyre, Frank Masson; Dalhousie, H. J. Hubert, James Hamilton, George H. Seeley; Shippegan Gully, John de la Garde; Bathurst, James McGinley, E. J. Palmer, Charles Landry, Percy Wilbur, Stuart Hodgins, M. T. Daley; St. George, Herbert Harvey, James Jack, H. V. Connell, James Waugh; Little Black River, A. MacLean, Hugh MacKay, Robert Macdonald; St. Andrews, S. E. Field, James Waugh; N. W. Miramichi River, John Wilson; Grande Dune Flats, F. D. Gunn, D. McIntyre; St. Louis River, David Babineau; Lawlors Shore, David Powers; Douglastown, F. D. Gunn, D. McIntyre; Nelson, F. D. Gunn; Bridgetown, D. McIntyre.

COAL FOR DREDGES.

Mr. OLIVER:

1. What amount of coal was used on the Government dredges working in Victoria harbour during the nine months from March 31, to December 31, 1913?
2. What was the price paid per ton?
3. What part of the total tonnage came from mines in the United States?

Mr. ROGERS:

1. 3,351 tons.
2. $5.50 to $7.50; average about $6.50.
3. About 1,500 tons.

STE. ANNE WHARF.

Mr. E. LAPOINTE:

1. To whom was the sum of $747.90 paid for the extension of the wharf at Ste. Anne de le Pocatière, as mentioned in the public accounts ending on the 31st March, 1913?
2. For what works or material was said sum of money paid, and when was it paid?

Mr. ROGERS:

1 and 2. Paylist: From 28th June to 16th August, 1912: Amable Bérubé, conductor, 30 days at $2.50, $75; Leon Pelletier, carpenter, 22 days at $1.75, $38.50; Joseph Bérubé, carpenter, 22 days at $1.75; $38.50; Alphonse Benoit, labourer, 17 days at $1.40, $23.80; Louis Emile Bérubé, labourer, 18 days at $1.40, $25.20; Eleuthère Pelletier, labourer, 1 day at $1.40, $1.40; Charles Verrette, carter, 11 days at $2.25, $24.75; Adrien Bérubé, carter, 5 days at $2.25, $11.25; total, $238.40.

Accounts: Ones. Carbonneau, lumber, $232.01; Alexis Michaud, lumber, $29.40; Charles Verret, lumber, 70c.; Charles Bérubé, hardware, $3; Joseph Bérubé, hardware, $1; Amable Bérubé, petty disbursements, $14.45; L'Union Agricole-Hardware, $15.64; N. Lizotte, hardware, $36.24, $21.61; total, $354.05. King's Printer, $155.45. Grand total,, $747.90.

Paylist paid by paymaster 5th September, 1912. Accounts paid by departmental cheque dated 18th September, 1912.

ENGINEERS AT RIMOUSKI.

*Mr. GAUVREAU:

1. What are the names of the engineers, assistant engineers, apprentices, or of any other employee of the office of the engineers at Rimouski?
2. What is the salary of each of them?
3. What have been the total expenses of that office since 1911?

Mr. ROGERS:

1 and 2. J. C. Taché, district engineer, $2,650; L. G. Trudeau, jr., assistant engineer, $1,200; J. L. Fyfe, clerk, $1,200; Maurice Leblanc, general foreman, $1,200; Mr. A. Lavoie, general foreman for Rimouski county, $1,200; J. E. Letendre, jr., assistant engineer, $1,080; Jerome Legaré, draughtsman, $1,000.

3. Office expenses, other than salaries as above: 1911-12, $714.17; 1912-13, $1,799.47; total, $2,513.64.

RIMOUSKI HARBOUR.

*Mr. GAUVREAU:

1. Is it the intention of the Government to have certain work done in the harbour of Rimouski?
2. If so, were tenders asked for?
3. Who are the tenderers and what is the amount of each tender?

Mr. ROGERS:

1. Matter under consideration.
2. Yes.
3. Paul Raymond, Joseph A. Talbot, as per unit prices, scow measurement, $334,-250; O'Brien & Doheny, $497,801.80. As per unit prices, place measurement, Paul Raymond, Joseph A. Talbot, $355,445.50; O'Brien & Doheny, $501,023.40.

MONTREAL POSTAL STATION.

*Mr. LEMIEUX:

1. Is the Government negotiating to purchase the property known as the Carslake Hotel, near Bonaventure station, Montreal?
2. Who are the owners of said hotel?
3. For what purpose does the Government contemplate purchasing above property?

Mr. ROGERS:

1. Yes.
2. The Carslake Hotel Company, Limited.
3. For a postal station.

*Mr. LEMIEUX:

1. Who are the valuators said to have been appointed by the Government for the proposed expropriation of the property known as the Carlslake Hotel, Montreal?
2. When were the expropriation proceedings begun?
3. What is the amount claimed by the proprietor of said hotel?

Mr. ROGERS:

1. A. F. C. Ross, J. Stevenson Brown, J. Craddock Simpson.
2. On 2nd inst., the Department of Justice was instructed to expropriate.
3. Approximately $407,880.

OTTAWA CUSTOMS BUILDINGS.

*Mr. CARVELL:

1. Did the Dominion Government enter into a contract with the Foundation Company, Limited, on or about 20th August, 1913, for the completion of the foundations of the new Customs building on Sussex street, Ottawa?
2. When did said company begin above mentioned works?
3. Is the Foundation Company still working on the foundations of above mentioned Customs house?
4. Who owns and operates the machinery, plant, derricks, hoisting engines, boilers, pumps, tools, concrete mixers, etc., used by said company on above mentioned works?
5. Did the Government, or any of the departments, at any time since above work was commenced, rent or lend to the Foundation Company any machinery, plant, derricks, hoisting engines, boilers, pumps, concrete mixers, tools or materials owned by the Government? If so, what department, when and for what rental or on what terms?
6. Has the Foundation Company been using and operating its own machinery plant, derricks, hoisting engines, boilers, pumps, concrete mixers or tools on above work? If so, on what terms, or what sums has it received or is to receive from the Government for above machinery or plant, etc.?
7. Who employed the men for above mentioned work, the Foundation Company or the Government?

Mr. ROGERS:

1. Yes.
2. July 26, 1913.
3. Yes.

4. Some owned by the Government, some by the Foundation Company and some is rented.

5. Yes, the Department of Public Works, according to the agreement all plant then on the work was to be used by the company.

6. A few special machines were supplied by the company for which a charge of three per cent per month was paid.

7. All employed by the Foundation Company.

HOUSE OF COMMONS ROOMS.

Mr. ALFRED THOMPSON:

1. How many rooms in the House of Commons are set aside for members?

2. How many members are allotted to each room?

Mr. BORDEN:

1. Sixty-seven rooms are set aside for the use of ministers and members of the House of Commons.

2. The number of occupants of each room varies from one to twelve according to the size of the room, as follows:

Room No. 12, 2 members.
" " 15, 6 "
" " 16, Conservatives, general.
" " 17, 1 member.
" " 18, Liberals, general.
" " 108, 3 members.
" " 109, 4 "
" " 110, 4 "
" " 113, 12 "
" " 115, 5 "
" " 125, 2 "
" " 126, 8 "
" " 127, 4 "
" " 128, 2 "
" " 130, 2 "
" " 131, 4 "
" " 132, 4 "
" " 136, 3 "
" " 137, 6 "
" " 138, 7 "
" " 200, 6 "
" " 201, 2 "
" " 202, 4 "
" " 203, 5 "
" " 204, 3 "
" " 205, 4 "
" " 206, 2 "
" " 207, 3 "
" " 208, 4 "
" " 209, 3 "
" " 212, 8 "
" " 213, 8 "
" " 214, 2 "
" " 215, 3 "
" " 300, 8 "
" " 303, 6 "
" " 304, 2 "
" " 305, 2 "
" " 306, 5 "
" " 307, 2 "
" " 308, 4 "
" " 309, 5 "
" " 310, 6 "
" " 313, 6 "
" " 316, 5 "

[Mr. Rogers.]

FENIAN RAID APPLICATIONS.

Mr. WILLIAM CHISHOLM:

1. Referring to an advertisement in the Casket newspaper, published at Antigonish, N.S., which reads as follows:

'Ottawa, March 16, 1914.

'To my constituents:

'The Government have decided to extend the time for Fenian raid applications to December 31, 1915. Provisions will also be enacted to enable heirs and widows of those living at the time the Act was passed to draw the amount. I shall be very glad to furnish further information to any one who cares to write me about the matter.

'E. Lavin Girroir.'

2. Is it the intention of the Government to enact such provisions as are above set forth?

3. In what proportion will the widows and the heirs share in the bounty?

4. Will all the heirs of a deceased volunteer, who, if living, would be entitled to the bounty, and who left no widow surviving him, share alike in the bounty?

5. Has the Government, or the Department of Militia, authorized Senator Girroir to make the above statement?

6. Who are the constituents of Senator Girroir, and what constituency does he represent?

Mr. SAM. HUGHES:

1 and 2. These provisions are already in the Bill, and it is the intention of the Government to propose such provisions as are set out in the proposed resolution, notice of which was given to the House on March 13, 1914.

3 and 4. Answered by No. 2.

5. The Government or Department of Militia and Defence has published the resolution upon the Bill, and it is open to every intelligent person to read and understand the language therein.

6. Question is improper.

CANSO REDUCTION WORKS.

Mr. SINCLAIR:

1. With reference to the reply given by the Minister of Marine and Fisheries on March 16, instant, to question No. 3, relating to the Canso Reduction Works, what are the names of the farmers who purchased the said fish scrap in 1913 and the number of tons purchased by each?

2. On what date was the said fish scrap sold to A. H. Whitman?

Mr. HAZEN:

1. James Stevenson, Woodburn, N.S., 1¾ tons; James McConnelly and Sons, Port Hilford, 1 ton; A. W. Reid, Port Hilford, ½ ton; Jesse A. Wright, North Bedeque, P.E.I., 1 ton; Lewis D. McDonald, Port Hood, ½ ton; John D. Chisholm, Malignant Cove, N.S., ¼ ton; Joseph M. Grant, Antigonish, ¾ ton; E. E. Olding, Woodburn, New Glasgow, 5 tons; Alex. Sinclair, Country Harbour, N.S., ½ ton; A. G. Archibald,

Country Harbour, N.S., ½ ton; Frank McLean, Port Hilford, 1,400 lbs.; James W. McIntosh, Country Harbour, ½ ton; A. W. Reid, Port Hilford, ½ ton; J. F. Leblanc, Margaree Ford, 700 lbs.; J. O'Leary, Lochaber, Antigonish Co., ½ ton; J. W. McDougall, New Glasgow, 5 tons; Cadegan Bros., Bridgeport, C.B., 1½ tons; John Newson, Charlottetown, P.E.I., 1 ton; C. P. Roy, Woodburn, N.S., ½ ton; Michael Gillis, Dunvegan, C.B., 2,200 lbs.; H. E. Stewart, Melrose, N.S., 1,400 lbs.; Ronald McDonald, James River Station, ½ ton; James W. Sutherland, West Merigomish, ½ ton; W. H. Woodworth, Berwick, N.S., 1 ton; James McConnell and Sons, Port Hilford, ½ ton; A. W. Reid, Port Hilford, ½ ton; Hugh McPherson, Antigonish, ½ ton; P. G. Grant, New Glasgow, 700 lbs.; John E. Hudson, Isaacs Harbour, 1½ tons; Thos. C. Hart, Leitches Creek, 1,300 lbs.; Burton Hadley, Guysborough, 300 lbs.; Alex. Harton, Canso, 600 lbs.; James Sullivan, Canso, 200 lbs.; A. Cameron, Canso, ¼ ton;John Bollus, Guysborough, 200 lbs.; E. S. Camo, Arichat, ¼ ton; Parker Hart, Guysborough, 300 lbs.; Wm. Kavanagh, Canso, 1 ton; Mr. Teiror, Arichat, ½ ton; Fred. Johnson, Canso, ¼ ton; Godfrey Leblanc, Arichat, ¼ ton; James Stevenson, Woodburn, 1,400 lbs.; Father Robitaille, River Bourgeois, C.B., 1 ton; R. McRae, West Bay, C.B., ½ ton.

FRENCH RIVER IMPROVEMENTS.

*Mr. MURPHY:

1. Was a contract awarded in the year 1913 for the construction of a dam or other improvements on the French river in the district of Nipissing?

2. What was the date and amount of the said contract and the name of the contractor?

3. What was the amount of the deposit put up by the contractor?

4. Has the said contract been abandoned or cancelled? If so, has the deposit been forfeited?

5. Will a new contract be let for the work? If so, when will tenders be invited?

Mr. ROGERS:

1. Contract awarded on 14th January, 1914.

2. Dated 26th December, 1913, for $23,124.40, based on unit prices from Jennings and Ross, Limited.

3. $2,312.40.

4 and 5. No.

MILITIA AUTOMOBILES.

Mr. PROULX:

1. How many automobiles have been purchased by or for the Militia Department since October 15, 1911?

2. Were the said automobiles purchased after tenders were invited, and what was the price paid for each?

3. What amount has been paid for repairs, furnishings, storage and the upkeep of the said automobiles from October 15, 1911, to date?

Mr. HUGHES:

1, 2 and 3, answered last session and this. (See unrevised 'Hansard' February 29, 1912, p. 4118, and unrevised 'Hansard,' February 16, 1914, p. 850.)

COLLINGWOOD ORANGE LODGES.

Mr. C. A. WILSON:

1. Has the Government, or any member thereof, received the communication referred to in the following announcement, published in the the Sentinel of March 19, 1914?

Collingwood Lodges Protest Against French in Schools and on Post Cards and Government Stationery—Express Dissatisfaction with Local Representatives.

The brethren of L.O.L. Victoria No. 934, and Golden Lion No. 1990, Collingwood, at their regular meetings held on the 9th and 11th March, 1914, adopted the following resolution, and instructed their secretaries to forward same to the Orange Sentinel, to the Hon. R. L. Borden, Ottawa, and to the acting Premier, the Hon. J. J. Foy, Toronto, also to their representatives, Col. J. A. Currie, Ottawa, and Hon. Jas. Duff, Toronto:

Moved by Brother Wm. Elliot, P.M. L.O.L. 1990, seconded by Brother Peter McMillan, W.M. L.O.L. 943, and resolved:

That we, the members and officers of Victoria Lodge No. 943, and Golden Lion No. 1990, assembled at our regular meetings, take this opportunity of condemning in the strongest terms the action of the federal Government in permitting the issuance of the bilingual post cards, and the use of the French language upon the official stationery of the departments, and consider this departure an insult to the other nationalities, such as Germans, Highland Scotch and others, inasmuch as the English is the language of this country.

We also demand the immediate abolition of bilingual schools, as English must be the only language taught in our public schools, if we desire to grow up as a united body of citizens. And we do not uphold the attitude of our representatives in both Parliaments, as so far we have not noticed that they have taken any part, or raised their voices in opposing any of those encroachments, which is bound to be detrimental to the unity of this country.

2. If so, what was the answer, or what were the answers given?

Mr. BORDEN: A copy of the communication was received this morning. No answer has yet been sent.

UNOPPOSED AND UNDISCUSSED MOTION.

Mr. Sevigny.—For a return showing what amounts have been paid by the Government of Canada from Winnipeg to Moncton for damages to lands, fences, roads, rivers, buildings, etc., during the works going on, and after they were completed by the contractors of the Transcontinental, in connection with the build-

ing of the railway; whether the contractors were charged by the Government of Canada for the amount thus paid, as per clause 24 of the contracts.

A MILITIA POSTER.

Mr. EMMERSON: I wish to direct the attention of the Minister of Militia and Defence to a question I asked at a former sitting. He will recall that I mentioned that a poster had been put up through the county of Westmorland, presumably on behalf of the Department of Militia and Defence, and signed, 'Captain L. G. Carey, 74th Regiment,' in which poster is recited the following:

> The undersigned has been requested by the Militia Department to submit the names of all men who, in the event of a general mobilization, would be willing to enlist in 'E' Company, 74th Regiment, also all retired officers, ex-militiamen and civilians who would be willing to accept employment with the Army Service Corps, Army Medical Corps, Ordnance Corps, Army Veterinary Corps, or Army Pay Corps.
>
> By sending or handing in your name you will not be enlisting, but merely showing your willingness to serve your country in the event of war.

The minister promised, on that occasion, to furnish to the House information as to the request that was made of the officer in question by the Militia Department. I simply want to know what the nature of that request was, what it included and what it contemplated.

Mr. SAM. HUGHES: I am delighted to see my hon. friend so interested in this matter. I presume he would join the Army Service Corps as that is where the rations are kept. In conformity with the custom of previous years the divisional officers send out mobilization plans each year. That has been done from time immemorial. The paragraphs in the Canadian mobilization regulations bearing upon this matter are:

> (13) Divisional and district commanders are responsible for arrangements connected with mobilization, and they are required to make themselves thoroughly acquainted with the resources of their several commands in regard to men, horses, supplies, stores and means of transport.
>
> (14) They will not be required to adopt a uniform system; their arrangements must accord, and vary, with local conditions; and within reasonable limits they will decentralize authority and delegate responsibility to subordinate commanders.
>
> (17) To co-ordinate arrangements a mobilization committee has been established at militia headquarters, and, with a similar object, a committee will be formed at the headquarters of each division and district. Staffs (general and adminstrative) and each service and department will be represented thereon, and the divisional or district commander will himself preside.

The divisional officer at Halifax who is, I understand, an enthusiastic and very capable officer, in order to save himself the trouble of calling on all the people in the county to ascertain their views, took the way that my hon. friend takes in his county, and, let the broad light of heaven in on his plan. I expect my hon. friend will be the first man to send in his name as being ready to serve his country in case of necessity.

Mr. EMMERSON: What about the member for Brockville (Mr. Webster)?

Mr. HUGHES: I did not disable him completely.

Mr. GRAHAM: What about you?

Mr. HUGHES: I took just two out of him and he took one out of me.

Mr. EMMERSON: You are evidently interested in the ambulance corps.

Mr. HUGHES: The order sent by the divisional officer contains this paragraph:

> It may be noted that it is understood that the returns herein called for are to be prepared and submitted without expense to the public.

The mobilizations are all here; I will lay them on the table.

ALLEGED CABLEGRAM TO SIR EDWARD CARSON.

Mr. PROULX: I would like to ask the hon. member for Centre York (Mr. Wallace) a question. He is reported in The Citizen of this morning to have sent a cablegram yesterday afternoon to Sir Edward Carson. The Citizen states:

> Captain Tom Wallace, member for Centre York, sent the following cablegram—

Mr. SPEAKER: Order. The privilege in regard to the asking of questions of members, other than members of the Government, is governed by the following rule:

> Questions may be put to ministers of the Crown relating to public affairs; and to other members, relating to any Bill, motion, or other public matter connected with the business of the House in which such members may be concerned.

And after giving the usual notice. The matter to which the hon. gentleman refers would not, in my judgment, come within the rule because it has nothing to do with any business of this House with which the member is concerned.

Sir WILFRID LAURIER: But my hon. friend (Mr. Proulx) has not stated it yet.

Mr. PROULX: With your permission, Mr. Speaker, I wish to ask the hon. Minister of Militia (Mr. Hughes) if he ever gave permission to the hon. member for Centre York to send this cablegram. Here is the cablegram.

Some hon. MEMBERS: Order, order.

Mr. PROULX: I want to read the cablegram.

Mr. SPEAKER: No, the hon. member cannot do so, because he is doing it in violation of a rule of the House, which is intended for a very good purpose.

Mr. PROULX: I beg to remark, Mr. Speaker—

Some hon. MEMBERS: Order, order.

Mr. SPEAKER: Order.

Sir WILFRID LAURIER: Do you rule, Mr. Speaker, that a member cannot state his question and that it is out of order before he has had an opportunity of stating it? How do you know?

Mr. SPEAKER: Having heard the hon. member say that he desired to ask a question of the hon. member for Centre York regarding a cablegram which was sent by him in regard to something with which this House is not concerned, I ruled that it was out of order for him to ask any such question.

Sir WILFRID LAURIER: May I ask how you know that the House is not concerned in any such cablegram as that?

Mr. SPEAKER: The rule says plainly that it must be some 'public matter connected with the business of the House in which such member may be concerned.' Then he has to give the regular notice, neither of which conditions has been complied with.

Mr. PROULX: I will put it in this way: The hon. member for Centre York is an officer of the militia—he is a captain—and I want to ask the hon. Minister of Militia if he has taken cognizance of the cablegram which was sent by Captain Wallace to Sir Edward Carson.

Mr. BORDEN: Might I suggest that if the hon. member has any question to put to the Minister of Militia he take the ordinary course and put it on the Order Paper so that it may be answered in the regular way?

Mr. PROULX: This matter is very urgent.

Mr. SPEAKER: Order. I was about to say, in view of the version which the hon. member has given of it, that it would be a proper question if he desired to put it on the Order Paper in the usual way.

PRIVILEGE.

Mr. SAM. HUGHES: Mr. Speaker, I find in the Montreal Star of yesterday, and in other daily papers—

Sir WILFRID LAURIER: Does this concern this House?

Mr. HUGHES: I shall rise to a question of privilege. I find in the Montreal Star that my old friend, Mr. Hamar Greenwood, in the House of Commons in England, made a statement to the effect that he deplored something with all his heart, and then went on to say that:

> The feeling in the Dominions was that the British officers were drawn from a class antagonistic to democratic ideals. It was a great wrench to him as an imperialist when quite recently the Minister of Militia in Canada had appointed a new Commander-in-Chief, and he did not consult the War Office. The Canadian army for the first time now had not got a single imperial officer serving under the Canadian flag.

I wish to state that I have not appointed a new commander-in-chief; there is no such office in existence. I did appoint a chief staff officer and I consulted Sir John French and Colonel Seeley before I appointed him—not that I had to do it at all, but I did it out of courtesy. We have upwards of seventy of the best British officers to be obtained in the empire in our Canadian permanent service, some on loan, some on exchange and others for instructional purposes. We have also a great many British non-commissioned officers in the service and I hope it will be a long day to come when we will be without the services of these gentlemen.

While I am on my feet, I should like to refer to an incident that occurred in this House the other evening. A few nights ago, on a matter altogether irrelevant to the business of the House, a member put a question founded on one of their 'slanderbund' cablegrams, or emanating from the 'boozarium'—I do not know which—

Some hon. MEMBERS: Order, order.

An hon. MEMBER: It was published in the Montreal Star.

Mr. HUGHES: The Montreal Star, I presume, repeated the cablegram coming from the slanderbund.

Mr. PARDEE: Mr. Speaker, I rise to a question of privilege.

Mr. HUGHES: I am not through with my question of privilege yet.

Mr. PARDEE: Then, I rise to a point of order. The Minister of Militia and Defence has just been referring to a matter that was brought to the notice of the House the other night which he says came from the 'slanderbund' or the 'boozarium.'

Mr. HUGHES: I do not know what the correct name is.

Mr. PARDEE: I beg the minister's pardon.

Mr. HUGHES: I do not know what the correct title of the institution is.

Mr. PARDEE: You do not? Well, if you do not you ought to. It shows your utter ignorance when you make a statement of that kind in the House.

Mr. SPEAKER: Order. What is the question of order?

Mr. PARDEE: The hon. Minister of Militia and Defence refers to the fact that this cablegram was read the other night. I read the cablegram and I have nothing to take back. The minister knows, when he makes the statement that it came from the 'slanderbund' or the 'boozarium,' that he makes a statement that is absolutely outside of the facts and one that he knows is false. I demand—

Some hon. MEMBERS: Order, order.

Mr. PARDEE: No, I demand—

Mr. SPEAKER: Order.

Mr. PARDEE: I demand the withdrawal of that statement.

Mr. SPEAKER: Order.

Some hon. MEMBERS: Withdraw, withdraw.

Mr. SPEAKER: Order.

Some hon. MEMBERS: Take it back.

Mr. SPEAKER: Order; I am sure that the hon. member (Mr. Pardee), being an old parliamentarian, must know very well that it is not permissible for an hon. member to say that another hon. member has made a statement which he knew to be false.

Sir WILFRID LAURIER: The insinuation made by the hon. Minister of Militia and Defence had reference to my hon. friend (Mr. Pardee). The minister was referring to the cablegram that was brought to the attention of the House by my hon. friend and you, Mr. Speaker, heard the minister say that it was from the 'boozarium.' Was that in order?

Mr. SPEAKER: Had any member risen to a point of order and asked me to rule on it, I should have said that it was not in order, but since it was not challenged I passed it over. I think that the hon. member for West Lambton, who is an old parliamentarian, will understand the desire to maintain the rules of the House.

Mr. PARDEE: I quite understand the desirability of keeping within the rules of the House as far as possible, but I rose to a point of order the moment that the hon. Minister of Militia uttered those words, and I demand a withdrawal of them.

Mr. SPEAKER: I did not see the hon. member rise to a point of order at that particular moment. Had I seen him I would certainly have given him the right to explain his point of order. In my judgment, the word used was not a suitable expression, and I think it ought to be withdrawn.

Mr. SAM HUGHES: Mr. Speaker, if you will state the word which I have uttered and which you consider unparliamentary, I will gladly withdraw it.

Mr. SPEAKER: The word was 'boozarium.'

Mr. HUGHES: I withdraw the word 'boozarium.'

Mr. GAUVREAU: Do it like a man.

Mr. HUGHES: I want to point out the fact that these gentlemen dilated at very great length the other evening, violating the rule of Parliament that newspaper clippings should be verified before being allowed to be used in this House. No attempt was made to verify their truth, either directly or indirectly. I have been a cabinet minister for the last two and a half years, and I challenge any hon. gentleman opposite to point out any instance in which I have not rigidly adhered to the rule not to express views on matters not pertinent to this House.

Mr. GERMAN: I rise to a point of order. I submit that this is not a question of privilege

Mr. SPEAKER: In speaking to a question of privilege, an hon. member should confine himself to the question of privilege and not debate it.

Mr. HUGHES: I am not debating the question of privilege, I am pointing out that these gentlemen, taking my record and the common sense view of the case—

Some hon. MEMBERS: Order.

Mr. HUGHES: I am in order.

Some hon. MEMBERS: You are not.

Mr. HUGHES: I know that it is a little hard for the ex-First Minister to—

Some hon. MEMBERS: Order.

Mr. HUGHES: During the two and a half years that I have been a cabinet minister, I have never once violated the rules of the House. I have neither directly nor indirectly sent a cable that had anything to do with the affairs of the Ulstermen, or in relation to any one leaving Canada for Ireland. If any men were leaving Canada for Ireland, they would not see the hedge fence artists that are discussing this question, going—

Some hon. MEMBERS: Order.

FENIAN RAID BOUNTIES.

On the Orders of the Day being called:

Mr. J. J. HUGHES: I wish to ask the Minister of Militia and Defence if he will tell me why the province of Prince Edward Island has been left out of the resolution re Fenian bounties, which he intends to submit to the Committee of the Whole to-morrow.

Mr. SAM. HUGHES: I answered that question long ago. There were no volunteers ordered out in Prince Edward Island either in 1866 or in 1870. My hon. friend received the official answer long ago.

QUESTION OF PRIVILEGE.

Mr. WILLIAM CHISHOLM: I rise on a question of privilege to say that the hon. Minister of Militia has not answered certain questions. I refer to question No. 24 on the Order Paper. The 6th question he has considered to be improper. Perhaps it is, I do not dispute that. The 5th question, however, is a straight question and is as follows:

> Has the Government, or the Department of Militia, authorized Girroir to make the above statements?

Referring to the advertisement contained in the first part of the question. The answer prepared by the department was:

> The Government, or the Department of Militia, has not requested any one to make any such statements.

Somebody has changed that answer and now it reads:

> The Government, or the Department of Militia and Defence, has published the resolution upon the Bill and it is open to every intelligent person to read and understand the language therein.

Some very intelligent person prepared that answer. I submit that that very intelligent person is not treating the members of this House with proper courtesy in giving such an answer.

THE NATIONAL TRANSCONTINENTAL RAILWAY.

Consideration of the proposed motion of Hon. W. T. White (Minister of Finance) for Committee of Supply, and the proposed amendment of Mr. Graham thereto, resumed from March 25.

Hon. ARTHUR MEIGHEN (Solicitor General): Mr. Speaker, it is a matter of regret to me that I was not able to stay in the House during the address of the hon. member for Carleton (Mr. Carvell). It was my privilege to hear the very vigorous speech of the hon. ex-Minister of Railways (Mr. Graham); and from the report I get of the effort of the hon. member for Carleton, he followed closely the manner, if not the matter, of his predecessor. The hon. member for South Renfrew (Mr. Graham) was in a form not unusual to him in this House. I have heard the hon. gentleman on previous occasions exhibit much the same animation, much the same indignation, much the same panic dealing rhetoric as he displayed in his address on his amendment. The last time we heard the hon. gentleman in that vein was last session, when, in a most impassioned speech he pictured the calamity that was to befall the House of Commons when the closure resolution he so much dreaded should go into operation. He announced that he was making his last speech in a free Parliament, and that thereafter the liberties of this House were to be demolished and his privileges were to go with them. If the very vigorous, very vehement, and very violent address over seven and a half hours with which he favoured us in three or four laps, has served any useful purpose, it has

at least demonstrated the folly of his great denunciation. The hon. member, having been Minister of Railways during the time when the matters dealt with in the Gutelius-Staunton report were going on, might naturally be expected to agitate himself very seriously in an endeavour to get from under, so far as he could, the consequences of that report. I have some admiration for the manner in which he addressed himself to that task. The importance of it was worthy of his effort, and his style of delivery, I must say, was impressive. And, though he has not convinced me that the responsibility of his misconduct while in charge of that department, is not serious for him and serious for Canada, and though he has not convinced me that there is any substantial error in the Gutelius-Staunton report, he has succeeded in convincing me that, in some small respects, he really believes there is.

The hon. gentleman was, first, very much agitated because there was a commission at all. He thinks the Government is to be severely condemned because they appointed Mr. Lynch-Staunton and Mr. Gutelius to investigate the Transcontinental. He inveighs against Mr. Lynch-Staunton; he reproduces the brief of the Liberal press of this country whose objections to Mr. Lynch-Staunton are, first, that he is a Conservative, and, second, that he spells his name with a hyphen; but the hon. member stops at the first objection, and so his only point against Mr. Lynch-Staunton is that he is a Conservative in politics. 'A very prejudiced commissioner' says the hon. gentleman, 'utterly incapable of coming to a just conclusion'—yes, indeed, a very unfair and a very prejudiced commissioner in the mind of the hon. gentleman—because he is a Conservative. The hon. member knows that in our selection of judges, whose office doubtless compares in dignity and in consequence with that of a commissioner, we are compelled to resort to party lines on one side or the other for appointees; and so the same objections which the hon. member hurls against Mr. Lynch-Staunton could be hurled against every man appointed to the bench by the Government of which he himself was a member. He tells us that Mr. Lynch-Staunton took the stump for the Conservative party in 1904 and 1908.

Mr. GRAHAM: And in 1913.

Mr. MEIGHEN: In the South Bruce election.

[Mr. Meighen.]

Mr. GRAHAM: While he was a commissioner.

Mr. MEIGHEN: But the hon. member is on record as saying that before Mr. Staunton took the stump in South Bruce his report was complete. No doubt the hon. gentleman has scoured the record of Mr. Lynch-Staunton and endeavoured to find where he has complained of or attacked the Transcontinental railway or the Transcontinental railway project, but he fails to show where Mr. Lynch-Staunton ever on any occasion pronounced himself one way or the other on that subject.

The hon. gentleman has strictures just as severe for Mr. Gutelius. 'Why,' he says, 'Mr. Gutelius was actually employed by the Canadian Pacific railway, and consequently he should not have been selected,' although in the course of his address he continuously assured the House that the Canadian Pacific railway was the best managed railway on this continent. If so, it must have the best officers on this continent, of whom Mr. Gutelius was one.

Mr. GRAHAM: But the Canadian Pacific keeps its good officers; it does not let them go.

Mr. MEIGHEN: The hon. member is bound to hit Mr. Gutelius, and is endeavouring to insinuate that Mr. Gutelius lost his position with the Canadian Pacific railway. Does he believe it?

Mr. GRAHAM: I did not say so.

Mr. MEIGHEN: He told us in almost every sentence he uttered that Mr. Gutelius was loaned to this country by the Canadian Pacific railway.

Mr. GRAHAM: I beg the hon. member's pardon; I quoted the statement of the Minister of Railways, that the Canadian Pacific railway had only loaned Mr. Gutelius to him.

Mr. MEIGHEN: Then, apparently, the Canadian Pacific railway have as much confidence in Mr. Gutelius as ever they had.

Mr. GRAHAM: Possibly.

Mr. MEIGHEN: The hon. gentleman can take whichever horn of the dilemma seems most comfortable to him. Mr. Gutelius was assailed last night, I am told, by the hon. member for Carleton, N.B. (Mr. Carvell), who told the House, from that pinnacle of information that he alone can attain, that this poor Mr. Gutelius did not know anything about railroad construction, that the Canadian Pacific railway em-

ployed him in operating and put him in the little town of North Bay. The fact is that Mr. Gutelius was engaged in railway construction as early as 1888, and continued to be engaged in railway construction until 1908, a period of twenty years. He was superintendent of constructive operations of the Pennsylvania railway; he supervised and controlled the construction of the Columbia and Western railway in British Columbia, and operated it as well. For ten years of his tenure of office in the Canadian Pacific railway he was in charge of railway construction, and for four years in charge of the operating. Does the hon. member for South Renfrew really believe that on this continent, or any other continent, there was a man better qualified than Mr. Gutelius to undertake this work?

Mr. MACDONALD: Would the hon. member permit me, before he leaves the question of Mr. Gutelius' appointment, to ask when Mr. Gutelius became a naturalized Canadian—

Some hon. MEMBERS: Oh, oh.

Mr. MACDONALD: —and whether it was only after this Government had appointed him commissioner that he took the oath of allegiance to His Majesty?

Mr. MEIGHEN: I will answer the hon. gentleman. He seems to think that Mr. Gutelius would not be competent to do the work if he were not a naturalized Canadian, and he tells us that Mr. Gutelius has only been naturalized two years. Is that correct?

Mr. MACDONALD: The hon. gentleman's own department, or that of the Secretary of State, should be able to inform him whether Mr. Gutelius was naturalized only after he had been appointed commissioner by this Government.

Mr. MEIGHEN: I have never looked the matter up because I have never seen, and do not now see, that it has any bearing on the case; but if the hon. gentleman thinks that British naturalization is an important qualification for knowledge of engineering, what has he to say to that supreme engineer of this continent and all other continents whose single letter to the hon. member for South Renfrew is depended upon to destroy Mr. Gutelius and every other engineer who fails to accept his view?

It is not to be expected that either the appointment of this commission, or the commission itself, would satisfy the hon. gentlemen opposite, including the hon. member for Pictou (Mr. Macdonald). Who ever heard, in the history of this Parliament, of a commission to satisfy hon. gentlemen opposite? Why they themselves could not appoint a commission to satisfy themselves. They are no strangers to investigating commissions; they have a record in such commissions. On several occasions when in power they appointed investigating commissions, but those commissions failed to satisfy themselves.

They could not elect anybody from the Liberal ranks to satisfy them; they could not select anybody from the Conservative ranks to satisfy them; they could not select anybody from the independent ranks to satisfy them, and they could not select anybody from the judicial ranks to satisfy them. They appointed a civil service investigating commission in 1907. That commission was composed of two Liberals and one gentleman who had very little politics, but who, if anything, was a Liberal. That commission investigated their own conduct and administration of the Civil Service. No sooner had they made their report than the vials of wrath from hon. gentlemen opposite were poured upon them, and the diatribes the hon. member for South Renfrew levelled at Mr. Gutelius and Mr. Lynch-Staunton were mild and weak and watery compared with what hon. gentlemen opposite levelled upon their own appointees in 1908. Not satisfied with the appointment of one commission, they decided to appoint another, in order, if possible, to correct the effects of the first commission. So they appointed Mr. Justice Cassels—I do not know whether he was on the bench when appointed or not, but at all events before he was on the bench he certainly was not a Conservative—to review the work of the commission they had appointed a year before. Mr. Justice Cassels reported, and day after day in this House hon. gentlemen opposite never ceased to inveigh against Mr. Justice Cassels. I remember, as if it were yesterday; the hon. member for St. John (Mr. Pugsley) and the hon. member for Carleton using language that verged as close as it could upon exceeding the rules of this House in order to show the country that Mr. Justice Cassels did not know anything about investigating the Civil Service, had no idea whatever about the weight of evidence, and, having heard the evidence, had not enough common sense to make a report. The hon. member for St. John seemed to be deeply shocked a couple of days ago when he heard from the hon. member for South Renfrew that Mr. Gutelius was actually at one time in the

trusted employ of the Canadian Pacific railway, and that Mr. Lynch-Staunton was a Conservative. He seemed to think that as a consequence we had wasted our money in asking these men to investigate a public work. The hon. member for St. John will be the last member in this House ever to be satisfied with any commission. Scarcely a session has passed since he entered this House, in which he has not occupied a great deal of time in condemning and berating, and in pouring vitriol and virulence upon commissions. He remembers the Central Railway Commission—it did not suit him; he remembers the Landry Commission, and even that great representative of the Acadian race, Mr. Justice Landry, did not suit him as commissioner. There has never been an investigating commission appointed even by themselves that suited hon. gentlemen opposite, so it is out of the question that the party now in power could possibly have suited hon. gentlemen opposite, no matter whom they appoint.

The Transcontinental Inquiring Commission was appointed, and the hon. gentleman says that the way they went about their work shows that they were biased; that they had no desire to use their witnesses fairly; and that they did not intend to make a just or an honest report. Why, he said, the first thing they did—and he showed the record to prove it—was to promise Mr. Parent that he would be allowed to read over his evidence after it was typewritten and before it was printed. The hon. gentleman read a letter from the secretary which promised Mr. Parent that
4 p.m. that opportunity would be given him. Mr. Parent wanted to read it over with the commission, and the secretary said in the letter he would advise him when Mr. Gutelius returned to Ottawa in order that it might be done.

Mr. GRAHAM: When Mr. Lynch-Staunton returned.

Mr. MEIGHEN: Thank you. Apparently, so far as is shown from the correspondence, that matter was overlooked by the secretary. The hon. member for South Renfrew showed that he had been in communication with Mr. Parent and that Mr. Parent had complained to him about this very unjust treatment, but he never brought into the House a sentence or a word or a syllable to show that there had been the slightest error in the transcription of the notes of evidence in this report. The conclusion is irresistible—that the evidence was faithfully reported and faithfully transcribed. If so, where is the injury?

The hon. member thinks that a very serious wrong was also done because this commission did not examine Mr. Charles Young on the question of the Winnipeg terminals. Having some knowledge of this subject myself, aside from the report, I was at a loss to understand what the reference of the hon. member for South Renfrew was as to the failure to take the evidence of Mr. Young. It will be remembered that in connection with the Winnipeg terminals the hon. member for South Renfrew said that whereas it was the first intention to bring the Transcontinental line into Winnipeg by connection at Dundee siding with the Canadian Northern, and running along the Canadian Northern into the joint terminals on the Winnipeg side of the Red river, as a consequence of an investigation made personally by himself another route farther to the north was decided upon, and as a result the route of the road as now constructed was determined. It is quite true that the first route contemplated was a ground-level route, running alongside the Canadian Northern, and immediately to its north, or by the use of the Canadian Northern on a joint traffic basis.

Mr. GRAHAM: My hon. friend, speaking from memory, has neglected to mention the whole of my statement in that respect. It was not only on account of a personal investigation I made that the present route was decided upon. My hon. friend will remember that I mentioned the fact that the Minister of Railways had the right to locate the route. I heard in my office the arguments of all companies and all those interested, and in addition to that I made a personal investigation. I would not like the country to think that it was only on a personal investigation made by myself that the route was decided upon.

Mr. MEIGHEN: I had no intention of leading the House to believe that it was only on account of my hon. friend's personal investigation that the decision was made. I know the hon. member did hear the interested parties; I know that as a consequence he came to the conclusion that the north route should be selected, that the wishes of the Canadian Pacific railway in that regard should be respected, and that the route should go just as it goes to-day, through a high-level line from St. Boniface across the Red river into the Winnipeg terminals. But what I want to draw attention to is, that the hon. member is

complaining that the commission had suppressed the evidence of Mr. Charles Young in their endeavour to show that due regard for economy was not observed in selecting this entrance in preference to the other. The hon. member must know, and he does know, that Mr. Charles Young was the commissioner who refused to consent to the selection of the ex-Minister of Railways himself, and that he was the only member of the commission who resisted, and continued to protest after the ex-Minister of Railways had come to his decision.

Mr. GRAHAM: To be fair, the hon. gentleman should say that I mentioned that fact in my remarks.

Mr. MEIGHEN: I do not think the hon. gentleman did say that.

Mr. GRAHAM: I said that Mr. Young dissented.

Mr. MEIGHEN: Then what had the commission to gain in making a point against the ex-Minister of Railways by suppressing the evidence of the one commissioner who resisted him? I do not think the hon. member for South Renfrew told the House at the time the decision was come to that the high-level entrance was not contemplated, and that afterwards when the high-level entrance was decided upon by the Railway Commission as being necessary, the consent of the engineer of the hon. ex-Minister of Railways to the adoption of that entrance was not secured.

The hon. member says it is all nonsense to complain of the Transcontinental Commissioners appointed by the Liberal Government because they were not practical railway men. Why, he says: we do not appoint practical railway men to run railways, we appoint any kind of business men and these men take the advice of their engineers. Here is an instance where they did not take the advice of their engineers, but took the advice of the Minister of Railways himself, against that of the engineers, and adopted the high level entrance.

Mr. GRAHAM: That is not the case.

Mr. MEIGHEN: Not the case?

Mr. GRAHAM: No.

Mr. MEIGHEN: I had a lawsuit on this subject.

Mr. GRAHAM: I hope my hon. friend won it.

Mr. MEIGHEN: What nonsense it is, says the ex-minister, to suggest that the Liberal Government should appoint practical men, either in constructing or operating, to take charge of a great national undertaking. such as the building of a railway. He says: if you adopt that principle you are bound to have the Minister of Railways an engineer, either constructing or operating, and the Prime Minister of Canada as well. If his theory is correct, the Prime Minister of Canada would have to be master of every art and profession known to mankind. He says the Canadian Northern and the Canadian Pacific railway do not appoint operating engineers to be heads of their railways; the Canadian Pacific railway did not do so when they appointed Sir Thomas Shaughnessy, and so we were quite justified in appointing a box manufacturer, a couple of lawyers, and a grain merchant from Deloraine to build the National Transcontinental railway. Can he give us an instance of the directors of the Canadian Pacific railway or the Canadian Northern railway or of that wonderful road, the Union Pacific, or of any railway in the world, appointing as its president and general manager any one excepting a practical railwayman? Can he give us an instance in the whole history of railroad construction on this or any other continent where the directors or stockholders, responsible for the building of a railway, entrusted its building and its initial operation to men who were not practical railway men, either constructing or operating? There is no such instance in history. I do not believe he could imagine one instance in fiction, where any railway ever perpetrated the folly that the Liberal Government perpetrated when they appointed this commission to take charge of the building of the National Transcontinental railway. I went to Winnipeg, said the hon. gentleman, I examined the surroundings, and I made up my mind that the National Transcontinental railway was not going to play second fiddle to the Canadian Northern railway or to any other road; I made up my mind that it was going to have an independent entrance of its own, and that there was going to be no second fiddle about it; that is the reason I adopted that north entrance. Let me picture to the hon. members of this House what that north entrance is. The railway comes in from Transcona, four and a half miles out. It crosses the Seine river and circles around until it gets to the Red river, through the flats of St. Boniface, which largely belong

to the Canadian Northern railway. It is built at an elevation of twenty-three feet and presents a hideous spectacle from the city of Winnipeg or any other standpoint, being a tremendous embankment, lifting the railway into the air throughout the whole extent of its approach to Winnipeg. It goes over the Red river at high level; it reaches the joint terminals at high level, and the consequence is that where it should have some connection with the business element of Winnipeg, if it intends to get any business out of Winnipeg, it is almost as near the occupants of the heavens as it is to the people of Winnipeg. The road has a sky line through St. Boniface, and it cannot get a spur line connection with any business interests in the city of Winnipeg. How does the ex-minister expect the Transcontinental to get business out of Winnipeg? He has made a joint terminal arrangement with the Canadian Northern railway. The Canadian Northern railway own the capital invested in the terminal, and except over lines owned by the Canadian Northern railway, the road cannot get a bit of freight out of Winnipeg. The hon. gentleman was very much afraid of making the Transcontinental play second fiddle to the Canadian Northern. What is that but having to play second fiddle to the Canadian Northern before they can get a ton of business out of that city? They have a connection whereby their trains must be pushed up to the high level line owned by the Transcontinental over a connecting link, which is the property of the Canadian Northern railway, and for the use of which the Transcontinental pays a certain rate of interest, and except over the line of the Canadian Northern railway and up to that connecting link, it cannot get business out of the city of Winnipeg. The hon. gentleman knows I am speaking correctly, he knows that is the only way they can get business there. They can get passenger business it is true out of the joint terminal, but they cannot get freight business, and they cannot connect with houses that would use the line as a freight line. Their whole terminal arrangement, their whole arrangement in Winnipeg even for passenger business, is to play second fiddle to the Canadian Northern railway. The Canadian Northern Railway Company own the joint terminal facilities in Winnipeg; they are the owners of the land on the west side of the Red river where the union station now stands, and the Transcontinental railway simply pays a rate of interest to the Canadian Northern railway for the purpose of using, as second fiddler, the Canadian Northern railway terminal.

Mr. GRAHAM: My hon. friend knows there is an agreement, perfectly fair to both companies, managed in a separate way altogether from the Canadian Northern railway arrangement. He knows that, as to the station.

Mr. MEIGHEN: I know there is a terminal agreement whereby it is laid down that the Canadian Northern railway are and are to be the owners of the whole terminal facilities, and whereby the Canadian Northern railway have bound the Transcontinental Commission to pay a rate of interest for the use of the terminal facilities owned by the Canadian Northern railway. That is the terminal arrangement they have, a joint board—

Mr. GRAHAM: Hear, hear.

Mr. MEIGHEN: Yes, certainly, in order to see that each gets its rights under that agreement.

Mr. GRAHAM: Hear, hear.

Mr. MEIGHEN: But by the very terms of the agreement the Transcontinental necessarily, under the joint board, plays second fiddle to the Canadian Northern railway. Oh, says the hon. member for South Renfrew, if we had come in alongside of the Canadian Northern railway we would have been so contaminated by them that we would have been playing second fiddle to them. Where is the second fiddle playing there? They could have got a right-of-way alongside the Canadian Northern railway so that they would have avoided breaking up the 110 acres owned by the Canadian Northern railway, and splitting in twain the property owned by that company in St. Boniface, and had that been done I do not see anything especially second fiddle about it. But if it had been considered more advisable, in the interests of economy and therefore in the interests of this country, that a joint arrangement should be made with the Canadian Northern railway whereby they would have entered the city of Winnipeg over the line of the Canadian Northern railway, with a terminal arrangement extending not only over the terminal facilities that now exist but extending out over the approach, wherein would that have been playing any more second fiddle than they are playing to-day in connection with the joint terminals? They could have had a

joint board to see that they got their rights under the agreement with the Canadian Northern railway in connection with the approach to Winnipeg.

But, all that was beneath the dignity of the hon. member for South Renfrew. It was beneath his dignity to have anything to do with the Canadian Northern railway before they crossed the Red river, but it was quite on a level with his dignity to have everything to do with them as soon as they crossed the Red river. And what is the result? I am not at liberty to discuss this subject as fully as I would like. As every one knows, an action has been entered by the Canadian Northern railway, in the Exchequer Court of Canada, against the Transcontinental Commission for damages to their terminals in St. Boniface by reason of the decision of the Minister of Railways to break into their terminal facilities. That suit is now pendente lite, and consequently the evidence, or anything in relation to it, is not subject to free discussion in this House. But, I am certainly free to say that the Canadian Northern railway produced an array of witnesses from the southern States, very eminent engineers, all introduced as the greatest experts in their line known to humanity—although Mr. Berry was not amongst them—to show that the Minister of Railways had taken a veritable garden of Eden from the Canadian Northern railway, the best terminal facilities on this continent or any other, and had destroyed the property of the Canadian Northern to the extent of at least $10,000,000.

Mr. GRAHAM: Oh.

Mr. MEIGHEN: The hon. gentleman laughs. I hope I shall feel as lighthearted as he does now, when the verdict is announced. No one hopes more than I, and no one worked more than I to bring the damages down as low as we could, but the situation is there. The suit is entered and whatever the verdict, one man is responsible for it, and that is the hon. member for South Renfrew (Mr. Graham).

The hon. member for South Renfrew says that the Transcona shops are another source of great pride to him; that if he had to build them again he would build them just as they are now; and that Mr. Lynch-Staunton is entirely wrong when he argues that the building of the Transcona shops, as a plant for repairs, was beyond the powers of the commission and should have been done by the Grand Trunk Pacific. I was aware, before the ex-Minister of Railways rose, and I think most of us were aware, that Mr. Staunton in that opinion did not agree with the Deputy Minister of Justice who gave the late Government his opinions and who gives this Government his opinions. We knew that Mr. Staunton was running counter to the opinions of eminent lawyers in this country, and we knew it was the duty of the Government to heed the opinion of the Department of Justice, but I was not aware, and I am not yet aware, that it was a crime on the part of Mr. Staunton to give his own opinion even if it did differ from that of the deputy minister. Mr. Staunton, himself, in his report quoted the opinion of the Department of Justice, and he quoted every line of it. He gave it to the people of Canada and told them it was the official opinion of the Department of Justice. This report itself takes exception to another feature of the Transcona shops, and I want to know what the ex-Minister of Railways has to say about that. The report says they have built at Winnipeg at a cost of $4,500,000 shops more than doubly sufficient for the necessities of the Transcontinental. The ex-Minister of Railways said they cost $4,500,000, and he tried to persuade the House of Commons that the shops at Transcona were a necessary investment in order that the Grand Trunk Pacific could repair engines and cars at that point. The ex-Minister of Railways also read a report from Mr. Hodgins, who was appointed by the Transcontinental Commission in 1912 for the purpose of investigating the work of the commissioners, in regard to the building of these shops, and the hon. gentleman says that Mr. Hodgins reported that the Transcontinental Commission had taken good care of future needs when they made the shops cost $4,500,000. I entirely agree with Mr. Hodgins in that. I fail to find in the whole report, though, a statement showing that there is any reasonable probability, within a reasonable time, that the whole or half the shops will be used in connection with the Transcontinental railway. It is as plain as anything could be, that when Mr. Hodgins made the very modest statement that these shops were built to amply take care of all future needs, he had in contemplation the needs of the Grand Trunk Pacific on the western line. Why do I say that? It is because Mr. Hodgins in his report, as quoted by the hon. member for South Renfrew, compares the facilities in these shops with the facilities of the

Canadian Pacific railway shops, and endeavours to show that in some respects they equal, or greatly exceed them, he evidently having in contemplation that the shops were to be used by both western and eastern lines just as Canadian Pacific shops are. That is plain on the very face of the report. There is no fault to be found with Mr. Hodgins' report, and not a line or a letter in it conflicts with the report of Messrs. Gutelius and Staunton. The hon. member for South Renfrew laughed at the suggestion that $4,500,000 was too much to spend in erecting shops to repair the engines and cars of the Transcontinental. Does he remember, as he sits there, that only as far back as 1908 he assured this House and the country that the Transcontinental shops would only cost $1,500,000. I see he does not contradict me, but in case any one would like the evidence it is to be found in 'Hansard,' July 11, 1908, page 12672, where Mr. Graham said:

> But we take the $2,000,000 for Quebec and we take $1,500,000 for the shops east of Winnipeg, and these will make $3,500,000 instead of the $5,470,000.

Again, on page 12664 of 'Hansard,' he says:

> For the shops east of Winnipeg the estimate is $1,500,000.

That is what he contemplated and that is what the commissioners contemplated when they felt it was their duty to make a capital investment there on shops sufficient to provide for the repair of engines and cars on the Transcontinental; but when they thought of lending the Grand Trunk Pacific sufficient money at 3 per cent to enable them to repair their cars and engines on their line and on our line they ran the cost up to $4,500,000. The Gutelius-Staunton report is verified line for line by the report of Mr. Hodgins, and by the words of the minister himself spoken only five or six years ago.

The hon. gentleman says we do not believe this report, or we would not be building shops at Quebec. While we have the utmost respect for the opinion of Mr. Lynch-Staunton on that matter—and no lawyer who reads that opinion, and knows the facts and arguments and deductions in support of the opinions will fail to have respect for the opinion of Mr. Staunton on that point—we recognize that it is the official opinion of this Government that we go by, and so we are building the shops at Quebec. But I will tell the hon. gentleman what we are not doing at Quebec, we are not spending money there for the Grand Trunk Pacific to use in connection with other lines they may own.

At the city of Quebec the estimated cost for shops is not $4,500,000, but it is $2,000,000, or less than half the cost at Transcona. At the city of Quebec, while the suggestion is that it should be limited to $2,000,000, and it is estimated not to exceed that amount, it has to be remembered that these shops have to take care of repairs for the line west of Quebec as well as east of Quebec, and consequently there will be every reason to believe there will be twice the business in repairs at Quebec that there will be at Transcona, which is the end of the line. Consequently it will be seen that a very different policy is in vogue in reference to the shops at Quebec. We pay respect to the suggestion of Messrs. Lynch-Staunton and Gutelius by seeing to it, that while we carry out the obligations of a very bad bargain made by hon. gentlemen opposite, we do not exceed these obligations in the interest of the Grand Trunk Pacific. So much for the Transcona shops.

The hon. gentleman says that at the city of Quebec there has been a very grave blunder made in that the shops have been moved some distance from the main line, and that consequently there is going to be all kinds of expense in the halt and crippled engines limping over from the main station at Quebec to the shops. He thinks we should have the shops right along the main line of the road, but if you do you have to haul your crippled engines from the n arest divisional point or the nearest station. Where did the hon. gentleman build the shops at Transcona? He built them four and a half miles out from the divisional point.

Mr. GRAHAM: They are on the main line.

Mr. MEIGHEN: They are on the main line, but the limping trains have to go four and a half miles to get to the shops. Where are they at Moncton? Are they on the main line? I do not think the hon. gentleman will say they are.

Mr. GRAHAM: They are right in Moncton.

Mr. MEIGHEN: They are right in Moncton, but a mile and a quarter away from the station, and the hon. gentleman selected the site himself.

Mr. GRAHAM: The Intercolonial shops at Moncton form part of the terminals in the city of Moncton.

Mr. J. D. REID: They are two miles out.

Mr. GRAHAM: They are not two miles out.

Mr. MEIGHEN: There is one to two miles that the limping trains have to go to get to them. The hon. gentleman said that all our estimates in connection with the cost of the transcontinental project are futile. He said that we included everything in them, no matter whether they should have been included or not, and he has been saying that for many years. I have no doubt he thinks he could appoint a much better commission than we did, but he had the opportunity of appointing a commission in 1910, and he refused to appoint one, and the reason he gave was that the gentleman who moved for the appointment of the commission had entirely over-estimated the cost of the Transcontinental railway. Mr. Lennox, of South Simcoe, said in 1910 that in his view the cost would run up to $218,000,000, and Mr. Graham then estimated the cost, inclusive of interest during construction, at $150,400,000, and he asks the House to believe that he was right as against Mr. Lennox, who wanted a commission appointed. Mr. Graham, then Minister of Railways, declined to avail himself of the privilege of appointing a commission that he could have selected himself. The hon. gentleman put the cost at $150,400,000, while Mr. Lennox put it at $218,000,000, or, as Mr. Graham said, $68,000,000 too high. He has to-day admitted that on the same basis of calculation, the correct figure is not $150,400,000, is not even $218,000,000, but, without figuring compound interest, that it runs up to $230,000,000.

Mr. GRAHAM: I do not admit anything of the kind. On this basis of calculation I state, and the hon. gentleman must himself agree, that the amount is $181,000,000 approximately.

Mr. MEIGHEN: I think the House has clearly grasped the interruption of the hon. gentleman, and what it means. On the basis of the calculation at which he arrived at $150,400,000 in 1908—it was $159,000,000 in 1910—he tells the House that the cost to-day is $181,000,000. He makes out the cost to-day to be $181,000,000 by including the $161,000,000, cost of construction, exclusive of interest, and adding to it the interest during construction, which would come to $18,000,000, making a total of $181,000,000. That is correct, is it not?

Mr. GRAHAM: That is correct.

Mr. MEIGHEN: Does the hon. gentleman say that in his $150,400,000 in 1908, or his $159,000,000 in 1910, he did not include the seven years' interest after construction?

Mr. GRAHAM: The seven years' interest after construction has nothing to do with the cost of construction.

Mr. MEIGHEN: But the hon. gentleman says that it was by the same basis of calculation he arrived at the $150,400,000. At page 12,680 of 'Hansard' of 1908 he gives $10,740,000 as the interest during construction, and $26,124,676 as the interest for seven years after construction, and he makes the total cost then $150,400,000. He, himself, included the $26,124,676 interest for the seven years. Now the hon. gentleman says that on the same basis of calculation it is only $181,000,000. It is $161,000,000 without interest at all, it is $181,000,000 with interest during construction, and it is $234,000,000 with seven years' interest compounded after construction, and it is approximately $230,000,000, if you do not compound at all, according to his own methods. So that Mr. Lennox, in 1910, not four years ago now, in estimating the cost at $218,000,000 was, according to the estimate of the hon. gentleman himself, about $12,000,000 short of actual cost instead of being $68,000,000 too high.

The hon. gentleman says: You should not include the Quebec bridge. I did not include the Quebec bridge in the last estimate, Mr. Gutelius and Mr. Lynch-Staunton did not include it in getting at the $234,000,000, but the hon. gentleman almost took a fit when the present acting Minister of Railways (Mr. Reid) included something for the Quebec bridge in getting at the cost of the road. He said: There is no more sense in including the item of the Quebec bridge than if you were to include all the armouries in this country. If that is the case there is very little sense in the position taken by Mr. Fielding, then Minister of Finance, who, himself, was acting Minister of Railways and Canals when these words were used, and who said, page 8587 of 'Hansard,' August 12, 1903:

> Whether the Grand Trunk Pacific had made a contract or not, whether we ever should build a transcontinental railway or not, the Quebec bridge has become a national undertaking, and in one form or other this Government has to see it through. As to what the Government

may do later, I am not in a position to say. Whether it would be wise to buy the bridge outright and make it part of the Government system or let the bridge company continue to manage it, will have to be arranged later on. But some part of the cost of that bridge is properly chargeable to the Grand Trunk Pacific railway.

He puts the cost at $4,500,000. (Reading):

What proportion of that would be fairly chargeable to this enterprise? I am going to assume that out of what it may cost we may fairly charge the Grand Trunk Pacific railway $2,000,000.

So that the Minister of Railways of the day, who himself fathered the whole scheme in this House of Commons, stated that about four-ninths of the cost of the Quebec bridge was properly chargeable to the Transcontinental. Four-ninths of the cost of the Quebec bridge is not quite the same as the armouries of this country; but what I want to draw my hon. friend's attention to is, that if we are to take what the cost of the Quebec bridge has been up to the present time, and its estimated cost for completion, and then take four-ninths of that as properly chargeable to the Transcontinental, we are going to add without interest at all, nearly $10,000,000 to the cost of the Transcontinental. On top of your $230,000,000, you have, on the authority of Mr. Fielding, to add that $10,000,000. On top of that also, you have to add interest for three years after the seven years, unless you are optimistic enough to think that the Grand Trunk Pacific Railway Company are going to find rental over working expenses for the three years. I do not believe that the ex-Minister of Railways in his heart of hearts would like to take as his share of the patrimony of this world, any part or all of the three years' rental we are going to get when the seven years are up. I do not think he would exchange it for his smallest possession in this world at the present time. If you add that three years' interest, and I think a sane regard for prospects will compel us to add it, you are going to add another $18,000,000 to the cost of the Transcontinental.

In all these calculations, which are sound, and which cannot be refuted, I have said noting at all about betterments until we get some return on the road. The ex-Minister of Railways knows that at the present hour the property of this country in the National Transcontinental, on the completed line not in use, or not in use to any serious extent, is depreciating day by day; that the rails are rusting; that the ties are rotting; that the road bed is getting out of shape, and that we shall have to spend huge sums of money in betterments before we have as good a road as when it was first constructed. He says we are making up the $230,000,000 in such a way that if we applied the same plan to the Canadian Pacific railway, it would have cost $200,000,000 or $300,000,000. In that calculation the hon. gentleman took into account interest on the money advanced to the Canadian Pacific railway and on the land given to the Canadian Pacific railway at a cost of $5 an acre, compounded up to the present time.

Mr. GRAHAM: I did not do that at all.

Mr. MEIGHEN: The hon. gentleman did do it in one calculation anyway.

Mr. GRAHAM: In my calculation, on which I computed the compound interest, there was no reference to the land at all; it was the cash given to the Canadian Pacific railway, and the value of the completed railway handed over to them at a valuation which in 1887 amounted, according to the figures in possession of the Government, to $72,000,000. I calculated cash and road completed, not land.

Mr. MEIGHEN: And he calculated interest on that up to the present time.

Mr. GRAHAM: Yes.

Mr. MEIGHEN: If he takes the interest for a long enough period, he will make the amount anything he likes.

Mr. GRAHAM: And, so can my hon. friend in regard to the National Transcontinental railway.

Mr. MEIGHEN: In my opinion if you compute interest, you should compute it up to the time when the country gets some service from the road.

Mr. PUGSLEY: Until the road is completed.

Mr. MEIGHEN: Well, who is objecting to that? What does the hon. member for St. John think about the method of the hon. member for South Renfrew (Mr. Graham) in calculating interest for thirty or forty years after the road is completed?

Then my hon. friend the ex-Minister of Railways went on to say that the capitalization of the road was quite reasonable, namely, $85,000 per mile, but if he calculates it at actual cost, plus interest, he is going to get $99,500 a mile.

Mr. GRAHAM: I did not say that.

Mr .MEIGHEN: I say that.

Mr. GRAHAM: I said $85,000 a mile, from Prince Rupert to Moncton. I took the figures given to me by the Government.

Mr. MEIGHEN: That is all right. I did not know that my hon. friend was referring to the road from coast to coast.

Mr. GRAHAM: I was taking the whole road.

Mr. MEIGHEN: Well, we do not know what that road is going to cost yet; it is yet some distance from completion. At all events the National Transcontinental railway is the line which we are discussing and you cannot get its cost by mixing up the figures of another road. The National Transcontinental road will cost $99,500 a mile or almost $100,000 a mile for every mile of the road from Winnipeg to Moncton.

Mr. MURPHY: Does that include the interest?

Mr. MEIGHEN: We will assume for the sake of argument that it does, although I am not sure. The hon. gentleman says that the road is well worth it, because it will carry trains so cheaply.

Mr. GRAHAM: Without interest.

Mr. MEIGHEN: I think I am too generous with hon. gentlemen opposite; that is the cost without interest.

Mr. GRAHAM: How much?

Mr. MEIGHEN: $99,500.

Mr. GRAHAM: No.

Mr. MEIGHEN: If there is an error at all, it is in favour of hon. gentlemen opposite.

Mr. BORDEN: If the road be 1,800 miles long, then without including this seven years' interest the cost would be about $180,000,000, or about $100,000 per mile.

Mr. GRAHAM: According to the contract and agreement with the Grand Trunk Pacific Railway Company, they are to pay rental on the cost of construction, which is made up of the actual cost of construction and interest on the cost of construction during the time of construction. That is $181,000,000 approximately, which is to be the cost of the road for rental purposes.

Mr. BORDEN: Certainly, for rental purposes.

Mr. MEIGHEN: I am very glad that the hon. gentleman (Mr. Graham) interrupted me because I see that I was much too favourable to his side of the case. I gave $99,500 a mile as the cost with interest. In the moment or two of recess caused by the interruption, I find that the total cost of the road plus interest during construction alone aggregates $100,000 a mile.

By adding the computed interest for seven years, the cost per mile would amount to $117,000 instead of $99,500. My hon. friend (Mr. Graham) says that the road is worth it, because he says I can show you railroads in Germany that have cost more than that.

Mr. GRAHAM: In speaking yesterday, I did not mention Germany directly or indirectly. In discussing railway matters here some years ago, I mentioned several railways in Europe. In my address of yesterday, taking the present Estimates, I mentioned the capitalization of four or five American roads, two of which I was giving for purposes of comparison. I did not mention any European roads at all.

Mr. MEIGHEN: I read in 'Hansard' a reference by the hon. gentleman to Germany.

Mr. GRAHAM: I did not say that.

Mr. MEIGHEN: I was not referring to my hon. friend's speech of yesterday. But, at all events, I do not know what point the hon. member expects to make by interrupting me, for it is just the same whether it was in Germany, or in England or elsewhere. He referred to the Canadian Pacific railway, and to three or four roads in the thickly-populated parts of the United States—as if there were any comparison between land values in the state of New York and land values at Graham, Redditt, Cochrane, Fitzpatrick and various other points in our yet unpeopled north. His method is to put the cost of this bare line of railway against the Canadian Pacific railway, with its telephone system, its telegraph system, its hotels, its lands, its steamships, and all its other multifarious assets.

Now the hon. gentleman says: Whatever it cost, it is worth the money. And that is the report we always get when we present the case of the people of Canada against the late Government for unneces-

sarily adding to the cost of the Transcontinental. Hon. gentlemen opposite say: Whatever it cost, and whatever blunders we made, whether in the agreement or after the agreement, or in the execution of the work, we put those blunders behind our backs and under our feet, because the road is worth the money anyway.

Well, the feature of the case I wish to present, with what emphasis I may, is just that in estimating the money that should be spent on a railroad, whether in whole or in part, some regard should be had to reasonable expectations of traffic for the years after the road is completed. And, however optimistic hon. gentlemen may be of the traffic that will go over this road, their optimism does not justify us in flinging reason and discretion to the winds and assuming that on the Transcontinental railway, immediately after construction or very shortly after construction, we can have a traffic comparable with the present traffic on the Canadian Pacific railway. It is pointed out in this report, and not refuted even by the hon. member for Carleton, N.B., so far as I am informed, that the equating tables presented to the engineers of this road, as they located the same and laid it out, were based upon the hypothesis that the road, as soon as it was open for traffic, would receive a traffic double that of the present traffic on the Canadian Pacific railway. And these equating tables, calculated for the purpose of showing under what circumstances it would pay to make capital investment rather than incur expense for operation, were based upon a hypothesis which no reasonable man would be justified in holding. As a consequence of this hypothesis, which violates every principle of discretion and common sense, the road was laid out and constructed at a cost that defeats the very purpose for which the road was projected. The hon. member for South Renfrew read some letters to show that because in this construction they had got down to a better grade than another transcontinental line, they could carry traffic much cheaper; he went on to show that the Transcontinental railway could carry wheat, I think he said, for about one-third the rate the Canadian Pacific railway could carry it for, and almost as cheaply as it could be carried by water. But no sooner was this said than the hon. member for St. Antoine (Mr. Ames) asked: What about the obligation of the company to pay rental on this tremendous capitalization as affecting their ability to make low traffic rates? And the hon. gentleman's answer was: I will tell the hon. member later on. But he has not told him about that rental yet; he has never admitted, in figuring the cost to the Transcontinental, the interest on the capitalization, which must be taken into account in arriving at the rates which that railway will be able to give its customers.

Mr. GRAHAM: I do not wish to interrupt the hon. member unduly, but I would refer him to page 2107 of 'Hansard' on that point. I know the hon. member was not here last night, and I am sure he has not read this or he would not make the statement he does. I gave the statement as to what it would cost to operate this line, taking the expected traffic as given by Mr. Tye before this commission. My hon. friend will see that I put in the cost of operation as one of the charges, the very amount figured out by the commission as rental:

> Interest charges per day, as per commissioners report, $14,800.

So, I answered the hon. member for St. Antoine as I promised.

Mr. MEIGHEN: Does the hon. member for a moment suggest that in his cost of operation he has included overhead charges?

Mr. GRAHAM: The hon. gentleman said I did not mention that. If he will follow out what I said he will see that there was a balance left to pay all other expenses.

Mr. MEIGHEN: Very well, but what I said was that the hon. member did not include the cost of rental in order to arrive at what the traffic would cost, and when he does include the rental he leaves out interest. The hon. gentleman admits that.

Mr. GRAHAM: I do not.

Mr. MEIGHEN: Then, I do not understand what he says. The hon. gentleman dwelt at great length on the question of grades, and he set about to convince the House that he was quite justified, and that the Transcontinental railway commissioners were quite justified, in entirely eliminating from this road what are known as momentum grades, and the Gutelius-Staunton report is entirely in error when it informs the people of Canada that $6,200,000 was thrown to the winds in this effort to do away entirely with the possibility of momentum grades. The hon. gentleman quoted letter after letter to show that the better grade you can get on a railway the cheaper you

can carry the traffic. Nobody disputes that general proposition. But still you have to keep in mind the cost of construction, and the interest on that cost if you are going to be fair in your calculations. But that is what the hon. gentleman did not do: that is what the eengineers of the Transcontinental were forbidden to do. That is why we have a cost of construction that defeats the very purpose of the road.

Hon. gentlemen opposite would convince us that momentum grades are fearful things. One would actually think, to hear the hon. gentleman describe them, that a train on a road on which there were momentum grades, would rock about like an automobile on a rough road, and that momentum grades were dangerous not only to the lives of those who rode over them but to the country through which the train passes.

Sir WILFRID LAURIER: Hear, hear.

Mr. MEIGHEN: It is well that we should grasp what momentum grades really mean. I understand that the leader of the Opposition (Sir Wilfrid Laurier) agrees with me in my description. Let me illustrate to the right hon. gentleman just how much truth there is in his belief. The momentum grades that have been allowed in the interest of economy on the Transcontinental have a maximum depth of eight feet; but the momentum grades on the Canadian Pacific railway between here and Carleton Place have a maximum depth of thirty feet. The right hon. gentleman himself has travelled over this Canadian Pacific line many times, and I do not think he has suffered very serious turmoil to his anatomy.

Now, what are these momentum grades?

Sir WILFRID LAURIER: Will the hon. gentleman tell the House where the momentum grades on the Transcontinental are? I have not been able to get that information so far.

Mr. MEIGHEN: I have a list of them here, but I do not think the right hon. gentleman would be very much edified if I were to read to the House about 1,000 figures. I shall be glad to send the list over to him. I understand that it was brought down in response to an order for a return to this House, but I may be misinformed as to that.

Sir WILFRID LAURIER: I have not seen them.

Mr. MEIGHEN: What are these momentum grades? The ruling gradient on the Transcontinental is 0.4 per cent as against eastbound traffic, and 0.6 per cent as against westbound traffic. Those were the grades determined upon, and they were determined upon without any reference to the character of the country through which the road was to be run, and without any reference to whether or not such construction would be in the interests of the road or would help fulfil the purposes of the road. Apparently the cost of the road was not considered in its relation to the rates to be charged on the freight that might be carried over it. The cardinal blunder in connection with putting into execution the design of the Government in connection with the Transcontinental was in heeding not in the slightest degree the necessity of keeping the capital cost down to a minimum, in the interests of the road itself. No attention, then, was paid to the equating tables. The engineers were told to make 0.4 per cent and 0.6 per cent grades and to have no momentum grades, no matter what the result might be. The consequence is that the interest charges on the road are so high that there is no hope whatever of securing low freight rates, which the road was built to secure. It would appear from the speech of the hon. member for South Renfrew that the moment you introduce a momentum grade you depart entirely from the four-tenths and six-tenths actual grade. You will do nothing of the kind. A four-tenths grade, if I understand it aright, means that there is at no place a greater rise than four-tenths of a foot in one hundred feet against eastbound traffic, and in no case a greater rise than six-tenths of a foot in one hundred feet against westbound traffic. Consequently, an engine of certain power can haul a train loaded to a certain capacity over that four-tenths grade eastbound and six-tenths grade westbound and, if the momentum grades that are introduced are really momentum grades in the real meaning of the term, they in no way interfere with the power of an engine to carry exactly the same load over exactly the same route. One would think that you limit the hauling capacity of your engine, the moment you introduce a momentum grade, no matter how slight, and that, at no matter what cost, such grades ought to be eliminated. Momentum grades, the hon. gentleman says, are of very doubtful advantage. He tells us that a momentum grade is of value to the road; at least he says it does not do it any harm. I admit

5 p.m.

that it does not do any harm, but the question of cost comes into the construction of a non-momentum railroad. It becomes a question how much you should pay to produce a non-momentum system. The hon. gentleman refused to let that question intervene at all; to him it did not matter what it cost. Ordinary business sense should have dictated to him to ascertain first of all whether a non-momentum road is any better than a momentum road for the traffic that this line is expected to carry, and, if you ascertain that it is better, then find out whether it is so much better that it warrants the paying of $6,200,000 for it. Surely that is a matter of ordinary business; but the hon. gentleman did not do that. The momentum grade means this: you carry the very same load with the very same power. By means of a down-grade for a short distance and up-grade the rest, the momentum that the train secures going down carries it up the other side, and as a result the principle of momentum is introduced and a great saving is effected without any detraction from the operating value of the road. The principle is not that of degrading the road to introduce momentum grades. The hon. gentleman has scoured the continent of America in order to produce the opinion of an engineer, if he could get one, that momentum grades should never be introduced. He scoured the continent of America and the continent of Europe to prove to this House that under no circumstances should momentum grades be used on the National Transcontinental railway. Having done this—and he has had seven or eight years in which to do it—he has not, in a speech lasting seven hours and a half, produced a single witness to show to this House that momentum grades should not be introduced. He could not and did not quote a line from either Mr. Berry or Mr. Cooper, one an engineer from the southern States and one from England, to show that momentum grades should not be used on the Transcontinental. He went to the American Association of Engineers, but the report of that association, from which he quoted, showed that he was wrong, and that there were circumstances under which momentum grades undoubtedly ought to be introduced in the interests of the road itself.

Mr. GRAHAM: I have always admitted that there are circumstances under which momentum grades are practicable. I never suggested anything else, but they are not practicable in a frost and snow country.

Mr. MEIGHEN: Not in a cold country?

Mr. GRAHAM: I said a frost and snow country.

Mr. MEIGHEN: The hon. gentleman's opinion is that momentum grades are all right under perfect circumstances, but that they are not all right in a frost and snow country.

Mr. GRAHAM: On new lines.

Mr. MEIGHEN: Here is the opinion of one of the engineers quoted by my hon. friend—and I venture to say it was the most in his favour of any that he could secure from the whole report:

> Modern railroad practice has substantially established the fact that momentum grades have their uses and are frequently of great value, but there are definite and well-known objections to their indiscriminate use.

Who would not know that?

> And that they should be adopted as a matter of course ordinarily or wherever opportunity offers, especially in original locations, may be seriously questioned.

Mr. GRAHAM: Hear, hear.

Mr. MEIGHEN: Does the Gutelius-Staunton report say in a single instance that momentum grades should be indiscriminately applied, or wherever opportunity offered? All Gutelius and Staunton said in the report was exactly what the American Association said in the report quoted by my hon. friend. The view of the association was:

> Modern railroad practice has substantially established the fact that momentum grades have their uses and are frequently of great value.

But the Transcontinental railway proceeded on the presumption that modern railway practice had established the fact that there was no value in momentum grades at all.

The hon. gentleman went down to the southern States and produced Mr. Berry, whose reputation is said to be international, but whom I never heard of before, although I have heard of many American engineers whose reputations became international very suddenly. However, I will accept Mr. Berry's opinion as that of an engineer of international reputation. In all the quotations which the hon. gentleman made from Mr. Berry, he cannot point to a line wherein Mr. Berry states that momentum grades

should not have been applied to the Tran - continental railway.

Mr. Berry was asked by the hon. gentleman himself to be a witness on this matter. I do not know whether Mr. Berry ever read the evidence. I have not seen the letter which the hon. gentleman wrote to him. I do not think he read the evidence, because he does not refer to it. But this gentleman from South America—

Mr. GRAHAM: Not South America.

Mr. MEIGHEN: The southern States—does say that there are circumstances when momentum grades should not be used, and he makes it as clear as day that there should always be an equation made between the advantage to be gained by momentum grades and the possible disadvantage. He thinks non-momentum grades are worth getting if you get them cheaply enough. Consequently he says there is a doubt amongst railway engineers whether or not a momentum grade is better than a non-momentum grade, and therefore, says my hon. friend (Mr. Graham), we are ready to pay any sum to remove the doubt. Whoever heard of reasoning like that. Mr. Berry almost says, and the ex-Minister of Railways does say, that you dare not have momentum grades in a cold country where there is snow and frost; and I wish to follow Mr. Berry and see just how far he establishes the point. Mr. Berry, in the course of his letter, points out that there are certain circumstances where a momentum grade may interfere with operating. He said that in the case of the momentum grade shown in the report, which was put there for the purpose of illustration, if you started out a fully loaded train of empties at the top of that momentum grade it would not get up the other side. There is his first objection. Whoever heard of putting in a momentum grade where you would be starting a fully loaded train of empties at the top? Would not a fully loaded train of empties, if that momentum grade was located in the only sensible place where any man would locate it, have a speed of ten or twenty miles an hour when it reached the foot of the down grade, and in that case it would get up the other side just as any other train would. That is what momentum means. Who would start a train over a momentum grade without any head at the top of the momentum? But he says a still more terrible thing might happen in a cold country of thirty degrees below zero. Mr. Berry says that if you strike a momentum grade in a cold country, thirty degrees below zero, with five inches of snow on the rails, and if, when you get to the bottom of the grade your engine goes up the spout, then you will not get to the top. Those are the only two circumstances that the ingenious mind of Mr. Berry can devise in order to show that you should never have a momentum grade in order to insure the country against the calamitous result of a train of empties started at the top of a momentum grade without any momentum and getting stalled before it gets to the other side, and the still more calamitous result of a fully loaded train of cars, at thirty degrees below zero and with five inches of snow on the rails getting stuck at the bottom through a dead engine, we ought to spend $6,200,000 of the money of the people of Canada. He cannot point to me in Mr. Berry's report a single other instance, a single other possibility that Mr. Berry's ingenious mind can devise that would defeat the real purpose of momentum grades. I read a few minutes ago what the hon. gentleman quoted from the report of the American Railway Engineering and Maintenance of Way Association. Just bear with me while I quote that again in order that I may show you the reasoning of the ex-Minister of Railways. Here is the quotation he made:

> Modern railroad practice has substantially established the fact that momentum grades have their uses and are frequently of great value, but there are definite and well-known objections to their indiscriminate use, and that they should be adopted as a matter of course ordinarily or wherever opportunity offers, especially in original location, may be seriously questioned.

Now let me give you the deduction which the logical mind of the hon. member for South Renfrew draws from that statement:

> This association takes the ground that even where the conditions are perfect, it is a mistake to introduce velocity grades—

Mr. GRAHAM: Go on.

Mr. MEIGHEN: —

> On a new line.

Mr. GRAHAM: Hear, hear. That makes a difference.

Mr. MEIGHEN: The hon. gentleman says 'hear, hear.' The Maintenance of Way Association said:

> There are definite and well-known objections to their indiscriminate use and that they should be adopted as a matter of course ordinarily or wherever opportunity offers, especially in original location, may be seriously questioned.

Mr. GRAHAM: Hear, hear.

Mr. MEIGHEN: It may be questioned whether you can adopt them indiscriminately or whenever opportunity offers, no matter what the result to be gained is, under those circumstances, in original construction. That is what the Maintenance of Way Association says. The deduction of the Minister of Railways is that unless conditions are perfect it is a mistake to introduce velocity grades.

Mr. GRAHAM: My hon. friend has left out again the word 'on a new line'.

Mr. MEIGHEN: On a new line.

Mr. GRAHAM: That makes a difference.

Mr. MEIGHEN: Does the hon. member say that the Maintenance of Way Association said that? They said that on new lines it may be questioned whether you should introduce them indiscriminately or ordinarily or wherever opportunity offers.

Mr. GRAHAM: Hear, hear.

Mr. MEIGHEN: Nobody would say anything else on new lines. This association says that you should use due care in the introduction of momentum grades. You would not introduce them, for instance, at a divisional point where you are going to start a train of empties at the foot of a momentum grade without any momentum. That would be their use indiscriminately, and ordinarily, and wherever opportunity offered. The Maintenance of Way Association say that you should not do that, but that is a long way from saying that you should never do it on a new line at all. It is just the difference between doing it without discrimination and doing it with discrimination. The hon. member for South Renfrew does not see that difference and the reason he gives is:

> For you do not know where the density of traffic is going to be and you cannot establish the velocity grades in the proper places.

That hon. gentleman says, that because we do not know, for example, what the traffic is going to be between Winnipeg and Lake Superior Junction, we do not know where the density is going to be along the line, such great density that you would not dare have momentum grades of that kind, at whatever cost he is going to abolish momentum grades altogether. Does the hon. gentleman fear a traffic along that line so great that you could not have momentum grades? The Canadian Pacific railway do not fear it. The Canadian Pacific railway have been running their line between Fort William and Winnipeg until now they have a double track, and on the revision of their line, knowing full well the traffic and having due regard for the future traffic, I have the evidence and the proof here to show that they have 85 momentum grades of importance on that line between Winnipeg and Fort William, or a momentum grade for about every three or four miles of the road.

But my hon. friend is fearful that we are going to have such a congestion of traffic between Lake Superior Junction and the city of Winnipeg that it would be a fatal thing to introduce a momentum grade at all. I have a letter here from an engineer who has the confidence of hon. gentlemen opposite. He was employed by them on the Transcontinental—or, perhaps not by them—at all events he was employed on the Transcontinental. He is an eminent engineer who made an inspection of the profiles of the Canadian Pacific railway at my own request. He writes:

> The ruling grade, that is the maximum grade when neither momentum or pusher grades are used, between these points is, according to the information given me, 0.4 per cent against both east and westbound. This information checks with the profiles.
>
> The momentum grades are not used to the same extent against eastbound as against westbound traffic as regards the rate of grade but there are probably about the same number of them each way. I counted 85 in all, and left out quite a number of the lighter ones. The rate of grade varies against eastbound from 0.5 per cent, 0.6 per cent, 0.7 per cent, 0.8 per cent to 0.9 per cent and in one case 1.0 per cent. Against westbound traffic the rate varies also from 0.5 per cent to 1.2 per cent, there being numerous cases of over 1.0 per cent. I noticed in a few cases that these grades were used in such a way as I would hesitate to adopt myself because of the high rates of speed required.
>
> If we leave out the 40 miles west from Fort William and 60 miles east from Winnipeg, the average of these grades for the remaining distance is roughly one to every four miles. In one section of 22 miles, however, I found 13 momentum grades with a more frequent use of the higher rates of grade, there being three cases of the use of 0.8 per cent against eastbound and 1.0, 1.15 and 1.3 per cent against westbound.

That is the judgment of the Canadian Pacific Railway Company; and they have lately revised their line and deemed it in the interest of the company and the purposes the railway was built to serve that they should introduce these momentum grades because of the great cost of obviating them. The hon. gentleman (Mr. Graham) says: 'If you look at the time sheets of that company, you will find that where there are momentum grades on a ruling grade of 0·4 per cent, they do not

load their trains to capacity. I understand the time sheets do not say anything about it.

Mr. GRAHAM: I did not say time sheets. I said weigh sheets. Perhaps that is not the proper term, but the sheet I mean shows the loading of the trains.

Mr. MEIGHEN: I have taken the trouble to consult a gentleman who was connected with the Canadian Pacific railway for many years, and he tells me that what the hon. gentleman says is not correct at all, and that they never make any difference whatever between the loading of a train where there are momentum grades and where there are not. The hon. gentleman says that the engineers are our experts, and if we defer to their advice that is all you can expect us to do. But did they defer to the advice of their engineers in the matter of momentum grades? Did he take the advice of the chief engineer or follow his own opinion, superinduced, perhaps, by the persuasion of the president of the Grand Trunk Pacific whose company did not have to pay the cost? Did he take the advice of Mr. Gordon Grant on that question? Mr. Grant, in a letter of December 3, 1912, to the Minister of Railways, which was read to this House just about a year ago, said —I will only read that part of his letter referring to momentum grades—

In so far as this concerns the Transcontinental railway.

That is, the question of virtual or momentum grades—and virtual, momentum and velocity grades are all the same thing.

I always was, and am still of opinion that virtual grades should have been used whenever it was practical and economical to do so, and that a very large amount of money could have been saved by their use, as the standard of grade adopted, together with the general topography of the country traversed by this line, effect a combination in favour of a virtual grade that an engineer will rarely or ever meet with.

Here is the chief engineer of his own commission assuring the Government that if there ever were circumstances under which momentum grades should have been introduced, the Transcontinental railway presented these circumstances. Here was a perfect example for the introduction of momentum grades. He goes on:

I may also add that, in so far as I am personally concerned in this matter, while I was employed on this line, as a locating engineer, I used in my location virtual grades whenever it was practical, economical and common sense to do so.

I leave you to judge of my surprise when orders came from Ottawa that these grades would not be allowed, and that the profiles so made must be changed. This was accordingly done, which greatly increased the cost of construction, without in any way, benefiting the line as regards operation.

Here is the chief engineer selected by the hon. gentleman himself, a man in whom my hon. friend still has confidence, in whose integrity and capacity he is compelled to profess confidence at this hour—this engineer, against his own best judgment and under compulsion of orders from Ottawa, builds this road on a non-momentum grade scale at huge cost to the country, and without any saving at all in the operating cost, and he leaves us and the country to judge of his surprise when these orders came from Ottawa.

Had these grades been adopted, where conditions warranted, if they did, the sags so introduced could have been removed wholly or in part by the operating company, at one-half the cost of contractors' prices.

But the hon. gentleman prefers not to save half the cost. The infatuation under which he laboured during his occupancy of the portfolio of Minister of Railways, seem to have led him to spend money just as rapidly as he could spend it, believing he was building a monument for Sir Wilfrid Laurier. And he seems to have felt that the more digits he could add to the cost and the more millions he could pile on this pyramid of folly, the measure of the greatness of his deed would be the grossness of his guilt. He sits in front of me and proclaims that he was right in defying his chief engineer.

Mr. GRAHAM: At the time Mr. Grant made that report as to momentum grades, he was not chief engineer.

Mr. MEIGHEN: Did the hon. gentleman take his advice as to momentum grades after he was chief engineer?

Mr. GRAHAM: I do not think my hon. friend will find that Mr. Grant, except in one or two instances, gave advice as to momentum grades. Grant did not pretend to be chief engineer at the time he wrote that report; he got his orders from the chief engineer.

Mr. MEIGHEN: He got his orders from Ottawa, he says. But did the hon. gentleman take his advice as to momentum grades after he became chief engineer? In two most important instances the hon. gentle-

man took his own opinion instead of that of his chief engineer.

The evidence is on file to show that the chief engineer before him was overpowered from Ottawa and that he was not allowed to exercise his own best judgment by this Transcontinental Railway Commission and the Minister of Railways and Canals. As a result finally of being impeded in the fair discharge of his duties by these orders from Ottawa, he threw up his post as chief engineer and retired from the service altogether.

Mr. GRAHAM: Mr. Grant did not do that.

Mr. MEIGHEN: Mr. Grant took his orders from Ottawa, Mr. Grant did it against his best judgment and on account of being compelled to do it he was made a party to the extraction from the treasury of this country of $6,200,000 which is chargeable to the policy of hon. gentlemen opposite.

Now, the hon. member for South Renfrew says that he is afraid of the snow and the ice of this country, and that therefore he refused to sanction momentum grades. Did he ever ask the chief engineer about snow and ice? Did he ever ask him if this gentleman from the southern States—

Mr. GRAHAM: No, Chicago; get it right.

Mr. MEIGHEN: From Omaha.

Mr. GRAHAM: No.

Mr. MEIGHEN: I think I am right when I mention Omaha because he reduced the grades of the Union Pacific. My information is that he did reduce the grades of the Union Pacific, but that he reduced them from two and a half per cent down to one per cent. That was the revision on the Union Pacific grades, and if you have a reduction of gradients to one per cent there is not so much need of introducing momentum grades as there is if you get down to 0.4 per cent or 0.3 per cent. It is then that the momentum grade is imperative in the interest of common sense and economy because you have not as much latitude in locating and constructing your line as you have with a one per cent grade. Momentum grades are introduced not when the gradient is high but when the gradient is low. If the gradient is high you can get economy without the momentum grade, but if the gradient is low you cannot.

Mr. GRAHAM: Then why did the hon. gentleman say that the momentum grade is used on the Canadian Pacific railway, when the Canadian Pacific railway has a grade of over 0.4 per cent?

Mr. MEIGHEN: Because, in the revision of their grade, they reduced the gradients.

Mr. GRAHAM: By the momentum grade?

Mr. MEIGHEN: It is when you get a 0.4 per cent grade that you want momentum grades. When the Canadian Pacific were getting their 0.4 per cent grade the momentum grade was regarded as an economic consideration and one in the interest of the road. But when the Transcontinental Railway Commission were getting a 0.4 per cent grade they flung economy and common sense to the winds. That is the difference between the Transcontinental and the Canadian Pacific railway.

As to this engineer from Omaha who reduced the grade of the Union Pacific from two and a half to one per cent. This is the engineer from the southern States who writes up to the Canadian people and tells them that the Laurentian and granite rocks in this northern country which have withstood the elements for ages, will be disintegrated beyond all recognition if exposed to rain and ice. That is the suggestion he makes with reference to the granite of northern Canada. The enigma has so frightened the hon. member for South Renfrew that he says that momentum grades are going to interfere so much, under conditions of snow and ice and frost, with the operation of the road and are going to impede trains to such an extent that it would not be right to introduce them. I desire to direct the attention of the hon. member for South Renfrew to the opinion of his own chief engineer, in whom he had confidence, in whom he still has confidence and whom he did not consult apparently at all on this question of snow and ice when he was in a position to consult him and when he should have taken his advice. Here is what the chief engineer of the Transcontinental railway says about it. I do not think it is too much to ask that the hon. member for South Renfrew should concede that the people will be a little better justified in taking the opinion of the chief engineer, to whom he entrusted this work, aided and abetted by the opinion of the leading engineer upon the Canadian Pacific railway and aided, abetted and supported by the opinion of every man who has

had to do with the great, successful railways of this country, rather than the opinion of a man from Omaha on the question of snow and ice. Here is what Mr. Grant says in a letter addressed to me on the 25th March:

Mr. PUGSLEY: Of the present year?

Mr. MEIGHEN: Of the present year. Mr. Grant says:

> In accordance with your verbal request for a statement regarding the contention of a certain engineer who lives in the southern states that momentum grades are objectionable in a cold climate, and that they are objectionable for the reason that a train of empty cars is liable to stall on them, and also that they are objectionable in the case of a broken down engine;
>
> I may say that the movement of a train over a momentum grade is affected by climate, length of train, and the inability of a broken down engine to haul her load, exactly the same as any other grade, no more and no less; or in other words there is nothing to your southern friend's contention.

Mr. GRAHAM: Does Mr. Grant say: There is nothing to your southern friend's contention?

Mr. MEIGHEN: The only error is apparently that he thinks he is my southern friend instead of the hon. gentleman's. Here is the opinion of the hon. member for South Renfrew in regard to Mr. Gordon Grant:

> Is there a man in this House who will say that Gordon Grant is crooked or incapable? They know that such a charge could not lie because he is kept in the employ of the present Government, and is an able, competent and honest man.

Mr. MEIGHEN: Now we have shown what the position has been with regard to momentum grades. I think it will be admitted that up to the very last no regard whatever was paid to the dictates of discretion in deciding before the conditions and the topography were known, that momentum grades would never be allowed to exist on the Transcontinental railway. The verdict of Mr. Gutelius and Mr. Lynch-Staunton is supported by every tittle of evidence that is before the House. It is disputed in no sense whatever by the witnesses brought here by raking with a fine tooth-comb through North America and Europe by the hon. member for South Renfrew. It stands to-day unmolested and undisturbed, and the responsibility for the damage that has resulted is on the Government then in power and particularly on the hon. member for South Renfrew.

There is something else. The hon. gentleman maintains that everything was all right in the way of the tenders. I will follow up one or two of the tenders in order to ascertain whether or not the remarks of the hon. member for South Renfrew were justified in relation to them. I shall take up at the present time contracts Nos. 16 and 17. I want to refer to them particularly because the hon. member for Carleton (Mr. Carvell) last night, in very vigorous language to which he is not a stranger, endeavoured to bring home to the present Government the responsibility for the loss to the country in connection with contracts Nos. 16 and 17. The undisputed facts of the matter appear to be that these two contracts, representing some 204 miles of railway north of the northern shores of lake Superior, were let at the request of the Grand Trunk Pacific on October 29, 1908, to Messrs. M. P. and J. T. Davis. The contract price was a huge figure, running up into the millions, and at the time the contract was let the conditions were such that whoever tendered on it would find very great difficulty in reaching the scene of their labours and getting their supplies and their men there. As a consequence, it must have been contemplated that the tenders that would be received in answer to the advertisement would be more than ordinarily high. The tenders were more than ordinarily high. The conditions in the advertisement were such that the contractors had to start the work at once, and that the work had to be completed on the 31st day of December, 1910. If I am wrong as to the date, I hope my hon. friend will correct me.

Mr. GRAHAM: The date is not very important.

Mr. MEIGHEN: The date makes a great deal of difference, because, unfortunately, it proves a very important statement made by the hon. member for South Renfrew to be incorrect. Contracts Nos. 16 and 17 were let separately to Messrs. M. P. and J. T. Davis. That firm took contract No. 16 and contract No. 17. The tenders were high, inordinately high. I do not know what the average would be, but they varied in excess of the average of the other tenders received, which were high enough, from say 10 per cent to 50 per cent to 100 per cent. The prices on some of the items tendered for were 100 per cent higher than the prices of the other tenders for the same work. Some were very little higher.

Mr. GRAHAM: All over the line?

Mr. MEIGHEN: Yes, all over the line. On solid rock the price was 20 per cent higher than the average, on loose rock 40 per cent, on common excavation 50 per cent, and on other items the price was 100 per cent higher.

Mr. GRAHAM: What ones would be 100 per cent higher?

Mr. MEIGHEN: I will get the information for my hon. friend. It is in the Gutelius report. It was on rip rap.

Mr. GRAHAM: Never mind; go on.

Mr. MEIGHEN: The reasons for the high tenders doubtless were the inaccessibility of the locality and the difficulty that would be encountered in getting supplies and men to the scene. But, under compulsion, at all events under the dictation of the Grand Trunk Pacific Railway Company, the commission deemed that they ought to advertise for tenders on that work, and ought to compel the tenderers to commence operations at once and to finish both contracts before the 31st of December, 1910. That is what they deemed advisable in the public interest, and they deemed it in the public interest that, in order to secure that completion, these excess prices had better be paid. What resulted? The contractors did nothing at all on that work in 1908; they did nothing at all up to September, 1909, except to send a party from Jackfish bay to the scene to see how best to get in their men and their supplies. The party went up in the winter and came back in the spring. The contractors rested on their oars from the spring until the fall and did absolutely nothing. In September of that year, the time approaching rapidly when the steel was to be laid at least close up to the extremities of these contracts from east and west, they sold their contracts to Messrs. O'Brien, Fowler and McDougall Bros., under an agreement which reserved to them 10 per cent profit on the same. They were to get 10 per cent of the total sum that would come to Messrs. O'Brien, Fowler and McDougall Bros. on the completion of the contract. Nothing more was done until, I think, December and all that was done was on contract No. 16. About 12½ per cent of that contract was done when the whole of the contract should, under the terms of the contract, have been completed. As to contract No. 17, not one dollar was invested in it; not one spade was put in; nothing at all was done until three months after contract No. 17 should, under the terms of the contract, have been completed. The hon. member for South Renfrew told us in the House the day before yesterday that immediately those contracts were taken over and before the expiration of the time, Messrs. O'Brien, Fowler and McDougall Bros., were on the ground. They were on the ground on contract No. 16; but they were never on the ground and did not do a tap on contract No. 17 until three months after the work should have been completed. The hon. member for South Renfrew said: It is true we approved the assignment from the Davis firm to Messrs. O'Brien, Fowler and McDougall Bros.; it is true the Transcontinental Railway Commission approved in September, although they knew at the time they approved, that Messrs. Davis and Davis, were in default; that they had not gone on immediately with the work; that they had not taken the steps they should have taken in prosecuting the work in order to fulfil the contract, although they knew that all this firm had done was to send a party into the district; that the party had gone back over one route in the spring of 1909 and that this firm had done nothing whatever between the spring and the fall when the contract was to be assigned.

Mr. GRAHAM: My hon. friend says Messrs. O'Brien, Fowler and McDougall Bros.; he means Davis.

Mr. MEIGHEN: Messrs. O'Brien, Fowler and McDougall Bros., did not come on the scene at all until September 29, 1909. What I was pointing out was that the hon. member told the House that the only time, if any, when the commission would have been justified in cancelling the contract of Messrs. O'Brien, Fowler and McDougall Bros., would have been at the time when the contract should have been completed, and at the time when he said they were on the work, actually doing construction. That was a mis-statement comparable with what he called the colossal blunder of the hon. acting Minister of Railways (Mr. Reid), who in estimating the cost of the Transcontinental railway dared to include the seven years' interest, instead of calling it a subsidy.

Mr. GRAHAM: He said that it was for rental purposes.

Mr. MEIGHEN: Well, I will not be diverted from my argument just now. My hon. friend told the House that the contractors were on the ground and at work

on the contract. That is true in regard to contract No. 16; but they had never started work on contract No. 17 until three months after the work should have been completed. Yet the hon. gentleman argued that the Transcontinental Commission could not have legally cancelled that contract.

Mr. GRAHAM: Will my hon. friend let me explain what I did say? We agree absolutely except on this, that I made the explanation that in discussing contracts Nos. 16 and 17, as they covered a continuous stretch of road and as the same firm had them, I would discuss them as one contract.

Mr. MEIGHEN: From that the hon. gentleman drew the conclusion that, inasmuch as the contractors were on the ground when the work should have been completed there could have been no cancellation. That conclusion was a wrong one, because it had no application to contract No. 17 at all. My hon. friend said that it would not have been legal to cancel the contract any sooner and that it was right that the commission should approve these two contracts. It must be remembered that before they got the notice that the contracts were assigned to Messrs. O'Brien, Fowler and McDougall Bros., the Prime Minister of Canada and the Chairman of the Transcontinental Railway Commission had both been notified that, inasmuch as these men had never gone on the ground and had never done a tap and inasmuch as the time was approaching when the road was to have been completed from both ends, the circumstances that justified the increased prices were removed and that as a result the commission should take advantage of the circumstances and secure tenders that were justified by the conditions then existing. They declined to do anything. The hon. gentleman has stated that he found a lawyer who has given an opinion that the Government could not cancel these contracts. I asked this lawyer's name, but he intimated that the lawyer was so sensitive that he did not like to have his name divulged.

Mr. GRAHAM: I did not make that statement. I do not see why the hon. gentleman should continually misquote me. I said they could not be cancelled without there being a chance of an action.

Mr. MEIGHEN: Does the hon. gentleman only mean that inasmuch as O'Brien, Fowler & McDougall Bros. might have started an action for which they had no ground, that therefore it would not be wise—

Mr. GRAHAM: I did not say a word about O'Brien.

Mr. MEIGHEN: Davis, then—what's in a name? Unless they had ground for an action that would enable them, in the opinion of the commission, to succeed, surely the contract could have been cancelled. Does the hon. gentleman's lawyer undertake to say that they had grounds—

Mr. GRAHAM: Does the hon. gentleman ask me the question?

Mr. MEIGHEN: Yes.

Mr. GRAHAM: He says: 'Unless in the opinion of the commission they had grounds for action.' I read the letter of the chairman, who is a lawyer of some eminence, stating that he thought they had grounds for action.

Mr. MEIGHEN: That is not the question. I wanted to know what this lawyer really said, who would not give his name. Does he say that in his opinion there would be ground for an action on which they would succeed?

Mr. GRAHAM: I would not say that.

Mr. MEIGHEN: What the lawyer said, then, was that in his opinion they might start an action whether they had ground for it or not?

Mr. GRAHAM: Anybody might do that.

Mr. MEIGHEN: If the commission were afraid—

Mr. GRAHAM: They were not afraid, and so stated.

Mr. MEIGHEN: No, but the hon. gentleman's lawyer appears to have been afraid. I know that the chairman stated in a letter that they could not cancel the contract. Now, I want to ask the ex-Minister of Railways if he could possibly imagine circumstances under which any contract could have been cancelled by these commissioners if this one could not. Is he going to lay at the door of his commission the charge that they entered into a form of contract with contractors that left them no means whatever for cancelling the contract if the contractors defaulted? But here these men lie back and do nothing, not a tap, nor do their assignees, until three months after the contract should have been completed; and the hon. gentleman wants to lead this House to believe

that even three months after the contract should have been completed, with nothing done, the contract could not have been cancelled. If the commission entered into a contract of that kind, their guilt is far heavier than it would be if they had simply failed to cancel the contract. The commission had a contract with these men which says:

> Section 8. The said work shall be commenced immediately after the execution of this agreement and shall be proceeded with continuously and diligently, and under the personal supervision of the contractor, until completed.

Was it commenced immediately? Was it carried on with diligence, or in any other way? It was not. So that clause of the contract undoubtedly was violated. Then further:

> Section 20. In case the contractor shall make default or delay in diligently continuing to execute or advance the works to the satisfaction of the engineer, and such default or delay shall continue for six days after notice in writing shall have been given by the engineer to the contractor requiring him to put an end to such default or delay, or in case the contractor shall become insolvent . . . the commissioners may take the work out of the hands of the contractor.

Then, it goes on to deal with the liability of the contractor. Not only have the commission power, in case of delay to sweep the contractor out of existence so far as profits go, but they can do more, they can hold him liable in case of loss. That is what it plainly means. No one will say that M. P. and J. T. Davis did not violate section 8; and, having violated section 8, they come under the condemnation of clause 20. So, if ever circumstances could arise that would justify the commission in cancelling a contract and advertising for new tenders, those circumstances arose in that case. I have nothing to say against the lawyer who advised the hon. gentleman that action might have been entered; I note that he was wise enough not to advise him that the action would succeed; so, I do not see why the hon. gentleman should be so sensitive about divulging his name. So, the contracts might have been cancelled, and if cancelled, the Government would have saved at least ten per cent, because the prices were more than ten per cent above the average price for the rest of the line. The responsibility is on the commission for that loss, and that loss amounted to $740,000. But the hon. gentleman says: We never in any way consented to this ten per cent being granted. It is true, he says: that in the deed of transfer between Davis and O'Brien, Fowler and McDougall Brothers, provision is made for reserving ten per cent, but we knew nothing about it when we consented to the assignment, and when I ratified it as Minister of Railways I did not know of it. But the hon. gentleman is wrong. If not, it would be better for him if he were. For, in the assignment to which they consented was embodied a reference to an agreement of transfer made between Davis, and O'Brien, Fowler and McDougall Brothers which made that agreement part of the assignment, and when they ratified the assignment they ratified the agreement. The hon. member says: The agreement never was on the file; we never ratified the agreement; it was made part of and embodied in the assignment but they did not know what was in it. Does he mean to say that the commission assented to assignments the purport of which they did not know? Does not he think it would be their duty to have the assignment on file, and that if they did not have it, the guilt and responsibility was greater than if they had consented to it after having it on file? But the hon. member for Carleton (Mr. Carvell) says that this Goverument is responsible, not the old Government; he says this Government should keep out the $5,000 a month, because there is a provision whereby the commission could elect to keep out $5,000 a month as damages in case of default or delay in the conclusion of the contract. And I am told that, with an air almost of thunder, he defied this Government to do this, the intimation, the insinuation, being, I am told, that in some way we were tied up to Davis. I wonder if the hon. gentleman was aware of the seriousness of the statement he made. He says the duty is upon this Government to insist on the $5,000 a month provided for in the agreement. I know it was within the power of the commission to elect whether or not, in this case as in any other, they would call for the $5,000 a month in case of default. But I wish to tell the hon. member, though he is not here, and I tell the ex-Minister of Railways (Mr. Graham) who did not correct him, that the commission which he appointed, the commission that operated under the old Government, themselves made that election and determined to release M. P. and J. T. Davis from that contract. I will read to the hon. gentleman the minutes of that meeting of the commission where they decided, that they would not insist on that $5,000 a month, thus relieving them of that $5,000

a month; and they did it at the request of the head of the Grand Trunk Pacific Company who themselves were contractors and who stood to lose if that penalty were exacted. In order to find out whether it was the duty of the late Government to call for that $5,000 a month, to whom did they write?

They wrote to Mr. Hays, President of the Grand Trunk Pacific railway, which company themselves were contractors for 353 miles of the line; which company themselves were in default and liable to the $5,000 penalty. That is where they went for advice. I have here a certified copy of the resolution which was passed by the Transcontinental Railway Commission. It reads:

> Extract from the minutes of a meeting held by the commissioners of the Transcontinental railway at Ottawa, May 26, 1911.
>
> Hon. S. N. Parent in the chair.
>
> Copy of letter from the chairman, dated 19 April last, to Mr. Charles M. Hays, president Grand Trunk Pacific Railway Company, and Mr. Hays' reply dated the 23rd instant setting forth his views in regard to the enforcement of the penalty clause in the various contracts for construction, advising his opinion that there is nothing to be gained in attempting to enforce the penalties prescribed, and that, should the commission determine upon this policy, it would meet with the approval and concurrence of the Grand Trunk Pacific Railway Company, was read, and it was
>
> Resolved, that in view of all the circumstances as set forth in the reports of the chief engineer, the various district engineers, and in the letter of president Hays of the Grand Trunk Pacific Railway Company, that no attempt be made to enforce the penalty clause in the various contracts for construction, unless, and except in such cases only, as the chief engineer can establish a clear cause of default on the part of the contractors, on account of which the public interest has suffered; and that a copy of the correspondence and of this resolution be forwarded to the honourable the Minister of Railways and Canals and to the Auditor General.

By that resolution the commission put upon the chief engineer the responsibility of showing that by reason of the delay the country suffered. How could he show that, when the rest of the line was not built up? Consequently, by virtue of that resolution they absolutely shut the door upon any collection of the $5,000 per month from M. P. and J. T. Davis.

At six o'clock the House took recess.

The House resumed at eight o'clock.

Mr. MEIGHEN: Mr. Speaker, I can conclude all I have to say on the subject of contracts by a reference to the discussion that has so far preceded in regard to sub-letting. It will be recalled that the report of this commission finds that as nearly as may be estimated, some $8,800,000 has been lost to the country by means of injudicious advertising and injudicious restrictions in the matter of the letting of the contracts. That was assumed by the hon. gentlemen who have spoken as a finding on the part of the commission that the whole principle of sub-letting was a vicious principle, and that it was not in the public interest. The commissioners were attacked in the severest terms of censure because they had attacked the principle of sub-letting, and the Government of to-day is charged with having no faith in that commission and with violating its findings because they absolutely countenanced sub-letting on the Hudson bay railway and the Welland canal. I have not been able to find any assertion in the report of the commission that there is anything inherently wrong in the principle of sub-letting. Nobody objects to the principle of sub-letting properly applied, the public interest being safeguarded. But is it only sub-letting that has taken place here on the Transcontinental railway? It is not sub-letting at all, in the main it is selling of the contracts; it is securing something under conditions that shut out competition, and, having secured it, turning it over to somebody who does the work that the primary contractor should have done, at an immense profit. For example, the sale of the Davis contract is not a sub-letting. O'Brien, Fowler and Macdougall Bros. may have sub-let afterwards. That is very frequently done. The contractors first sold, then the man who purchased from them sub-let, and perhaps two or three under him got contracts. Then they would sub-let again, and so on. All that has taken place under the conditions stipulated by the late Transcontinental commission. What was one condition that was severely to be criticised? The commission advertised for tenders and called for a certain deposit with the tender. But they inserted in their advertisement a provision that, not only did they require that deposit, but that they reserved to themselves the right to demand any further sum whatever, within a certain number of days; and unless this sum was put up, not only would the man who tendered be in danger of losing the contract, although he might be the lowest tenderer, but he would face the probability of losing his cash deposit. In other words, he delivered himself bodily into the hands of the com-

mission, because the commission might exact from him something which he could not possibly comply with. Surely no hon. gentleman opposite will say that this was not such a restriction as was calculated to shut out competition. I am at a loss to imagine what other purpose such a restriction could have had, or what the commission could have had in mind were it not to shut out competition in reserving to themselves the right to practically ruin the tenderer if he did not comply with conditions that in advance he knew nothing of. The clause to which I refer is as follows:

> And I hereby declare and agree that in case of refusal or failure to execute the said contract with the commissioners and also to furnish the approved security required—

Not knowing what it was.

> —to an amount not exceeding one-third of the estimated total consideration of the contract, for the faithful performance of the said contract, within ten days after the acceptance of this tender, the said cheque shall be forfeit to the said commissioners as liquidative damages for such failure, and all contract rights secured by the acceptance of this tender shall be forfeited.

The checks demanded varied in amount from $75,000 to $400,000, and the subsequent security varied from nothing up to about $1,300,000 in the case of the McArthur contract. But the point is that the contractor had no possible conception, except that he was limited to one-third of the whole contract price, as to what he might be called upon to do. If that were a justifiable proceeding in this case is it not in all Government contracts? Why is an exception made in the case of the Transcontinental Commission and their contracts? The Minister of Finance of that day saw that the effect of regulations that the Transcontinental Commission had put into effect, in this restrictive clause, inevitably would be to so discourage prospective tenderers as to limit very seriously their number and consequently to enhance very materially the cost. He wrote a letter of protest, asking that the commission should recede from that position and should be content with such conditions as prevailed in other Government contracts. But his request was not heeded and the Government of the day did not see to it that fair and reasonable conditions only were insisted upon, and in that way at least one element of cost eliminated. They decided in this case, just as in every other case, whenever a question was before them on one side of which was a reduction of cost and on the other side an increase of cost, they decided every time on the extra expenditure, whatever it might be. Was there ever a question or dispute that reached the commission, or, above the commission, reached the Government, that was not decided in favour of the extra expense? So that the attack on the system of advertising and tendering and the consequences of that system is not an attack on sub-letting as sub-letting, and all that the commission say is that one step in the process at least might have been eliminated, there might have been one clause struck out and one element of the cost prevented if a fair system had been adopted. In that way they estimate that $8,800,000 was wasted. The basis of this estimate is only a fair average between the first cost and the second cost, not between the first cost and the actual cost to the men who performed the work.

I have not yet dealt with the question of curvature. It is very much akin to the question of momentum grades. On the question of momentum grades I think it has been clearly established that a loss to this country of $6,200,000 has resulted; and in estimating that loss regard has only been had to what could have been saved after the line of railway was decided upon. If this stringent condition had not been laid down before the line was decided upon, a line of railway would have been laid out on which there could have been saved a great deal more than $6,200,000. The commission were not in a position to say what might have been done unless they went to work and laid out a different line altogether. They could only say what could have been saved with the line of railway as it is, had it not been determined that, come what might, and at whatever cost, momentum grades were to be absolutely debarred. As to curvature the very same words, in effect, apply. They determined in advance, without any regard to the topography of the country, and having no interest at all in what the result to the country might be of their determination—they determined in advance on a 6 degree curve as the maximum, no matter what the cost of that 6 degree might be to the country. The hon. member for South Renfrew says the curvature is as important as the grade, because if you increase the curvature you produce exactly the same result in retarding operation as if you increase the grade. That is very true. And he says, if you have an 0.4 per cent grade and then add

10 degrees curvature, you are doubling the 0·4 per cent grade; and the conclusion that might be very reasonably drawn from that is that you cannot afford to add a maximum curvature to the maximum gradient. That is to say, the conclusion put generally is this: That in curvature just as in gradients you cannot indiscriminately apply the maximum. You have to use judgment, take into account all the conditions surrounding each case, and decide each one on its merits. That is all that the commission report asked for. What is there in the argument of the hon. member for South Renfrew as against this proposition, that where the road is on the level it would not have been advisable to have used a 10 degree curvature instead of a 6 degree, even if a large saving might have been made thereby. Ten degrees curvature on the level is equal to 0·4 per cent grade. You are not in any way diminishing the hauling power of an engine: the engine could take just the same load as if that 10 degree curve were not there, but they had no regard whatever for this consideration, and just because it would cost more in all cases to have a 6 degree curve, they insisted upon it. They appear to have acted on the principle that the greater the cost the better for Canada, and in all cases they decided on the greater cost irrespective of the merits of the particular case in hand.

It is a fact established by the evidence, and which the hon. member for South Renfrew will not deny, that the 10 degree curve is used on all the important railways in this country. It is the best in the judgment of the Canadian Pacific railway and other roads, and surely the judgment of successful Canadian roads is the judgment that we would be wise in following. It is said by the expert from Omaha that the commissioners just made a wild guess in getting at $602,000 as the saving that would be effected if they had gone as far and no further than a 10 degree curve on this road, without in any degree diminishing the hauling capacity of the engines or the operating value of the road. I do not know upon what Mr. Berry bases his remark. The commission assert that they went thoroughly into it. They took the evidence, and I have before me a statement showing every detail by which this $602,000 was arrived at for one-quarter of the line; and inasmuch as the rest of the line bears a fair comparison with this one-quarter of the line in this regard, I think four times that is what the commission would be expected to arrive at as the saving on the whole line. I would like to place the figures on 'Hansard,' if I may do so.

Mr. SPEAKER: I understand that the same privilege has been extended to the ex-Minister of Railways; therefore I take it that the House will consent in this case.

Mr. MEIGHEN: The statement is signed by Alexander Ferguson, division engineer for the road, who was specially deputated to look into this question. He was division engineer under the late Government as well as under this. His letter, dated September 17, 1912, reads as follows:

> The following is an approximate estimate of the saving which could have been made in the construction of the line between the Quebec bridge and mile 200 westerly had the use of 10° curves been allowed with no tangent between spirals instead of 6° curves with 300 feet between spirals.
>
> I am familiar with the whole of the ground covered in the estimate and believe the figures given to be within 10 per cent of what could have been saved.

Mileage.	Quantities returned in Estimates.	Percentage could have been saved by using 10° curve.	Quantity could have been saved.	Price.	Amount.
Contract 10.				$ cts.	$ cts.
80–82	S. 58716	20 per cent.	S. 11700	1 50	17,550 00
	L. 21465	20 "	L. 4300	50	2,150 00
	C. 1028	20 "	C. 200	21	42 00
82–85	S. 122704	5 "	S. 6100	1 50	9,150 00
	L. 52296	5 "	L. 2600	50	1,300 00
	C. 4910	5 "	C. 200	21	42 00
85–86	S. 41325	50 "	S. 20700	1 50	31,050 00
	L. 3231	50 "	L. 1600	50	800 00
86–90	S. 72772	10 "	S. 7300	1 50	10,959 00
	L. 99542	10 "	L. 10000	50	5,000 00
	C. 19670	10 "	C. 2000	21	420 00
90–95	S. 110544	10 "	S. 11100	1 50	16,650 00
	L. 25223	10 "	L. 2500	50	1,250 00
	C. 10918	10 "	C. 1100	21	231 00
95–97	S. 116490	50 "	S. 58200	1 50	87,300 00
	L. 8904	50 "	L. 4500	50	2,250 00
	C. 10994	50 "	C. 5500	21	1,155 00
97–99	S. 223474	10 "	S. 22300	1 50	33,450 00
	L. 10482	10 "	L. 1000	50	500 00
	C. 7071	10 "	C. 700	21	147 00
115–121	S. 538008	20 "	S. 107600	1 50	161,400 00
	L. 115203	20 "	23000	50	11,500 00
	C. 90762	20 "	18200	21	3,822 00
148–150	S. 68349	50 "	S. 34200	1 50	51,300 00
	L. 2047	50 "	L. 10200	50	5,100 00
	C. 6749	50 "	C. 3400	21	714 00
			Total for Contract 10.....		455,223 00
Contract 11.					
150–152	S. 86546	50 "	S. 43300	1 65	71,445 00
	L. 32051	50 "	L. 16000	60	9,600 00
	C. 10214	50 "	C. 5100	22	1,122 00
152–158	S. 229785	10 "	S. 23000	1 65	37,950 00
	L. 71243	10 "	L. 7100	60	4,260 00
	C. 27388	10 "	C. 2700	22	594 00
158–160	S. 59350	20 "	S. 11900	1 65	19,635 00
	D. 15685	10 "	L. 3100	60	1,860 00
	C. 882	10 "	C. 200	22	44 00
			Total for Contract 11.....		146,510 00

Summary :

Mile 0 to 150 Contracts 9 and 10..... ....$455,000 00
Mile 150 to 200 part of Contract 11..... ..... 147,000 00

Total..... .....$602,000 00

Yours truly,
Alex. Ferguson,
Division Engineer.

In this statement, Mr. Ferguson says:

I am familiar with the whole of the ground covered in the estimate and believe the figures given to be within 10 per cent of what could have been saved.

That is certainly right, and the evidence of Mr. Tye and of Gordon Grant, I think, shows that it could have been saved without any detraction whatever from the operating value of the road. The figures are given in the above statement in detail and the total is $602,000, so that meets the objection levelled by the expert from Omaha, Mr. Berry. It was not a wild guess at all, nor a guess of any kind. There is the report of an engineer who worked under the late Government and who works under this, and I think four times the saving on one quarter of the rough country will represent what would have been saved on the whole rough country.

The hon. gentleman also produced a paper read by Mr. MacPherson on the 29th of January, 1909, before some society in Eng-

land as to the traffic-bearing powers of the National Transcontinental railway. This is what the hon. gentleman quoted from Mr. MacPherson:

> The distance on the Transcontinental railway will be 1,351 miles—

That is from Winnipeg to Quebec which is not correct.

> —and, as the maximum eastbound grade is 21.12 feet per mile, compensated for curvature, the heaviest locomotive built to-day, a 'Mallet Articulated Compound,' fully described in the Railway Age Gazette of April 30, 1909, is capable of hauling on this grade a gross load behind the tender of 4,290 tons.

I need not read all of this as it is already on 'Hansard.' I wish to point out a curious error into which MacPherson has fallen, and in which he has been followed by the hon. member for South Renfrew, a mistake which I have no doubt Mr. MacPherson would readily acknowledge; and that is, that a mallet, articulated, compound engine is such an engine as is used in mountain country. It is used on a heavy grade, on short distances, and has not the steaming capacity to pass from one division to another and consequently could not be used over the line. Mr. MacPherson says that if they could use a mallet, articulated, compound engine a load of 95,333 bushels of wheat could be hauled. Every one of us knows, and the hon. member for Edmonton will support me, that a car of wheat averages about 1,000 bushels. A small car runs to about 600 bushels; a medium car 800 bushels, and a large car about 1,000 bushels. I have figured it out on large car basis and on Mr. MacPherson's figures the engine would have to haul about ninety-seven cars in order to carry the load he mentions. I want to ask the hon. member for South Renfrew if he ever heard in his life of an engine pulling ninety-seven loaded cars? I think he will find out if he makes inquiry of any operating engineer that the coupling bars would break, that the very outside is sixty-five cars and that ninety-seven cars could not, under any possible circumstances, be drawn even if the engines were strong enough to draw them. There are two very serious errors in the foundation of the table that my hon. friend put upon 'Hansard' and from that table he left out entirely the overhead expenses of running the railway. There might be a useful deduction drawn in the way of showing the traffic-hauling powers of the National Transcontinental railway. I notice in the table also that he assumes, although I must say I could not find out by what process he arrived at that assumption, that on the average there will be 8·5 trains per day both ways between Winnipeg and Moncton.

Mr. GRAHAM: Not each way.

Mr. MEIGHEN: I think it says 'each way.'

Mr. GRAHAM: No, I was asked if it were each way and I distinctly said 'no.'

Mr. MEIGHEN: I have it before me:

> This gives an average for the whole line from Winnipeg to Moncton of 8·5 trains per day, both ways.

Mr. GRAHAM: It is not each way at all.

Mr. MEIGHEN: I think I can be excused from misunderstanding my friend's language. I do not know by what process he evolved that particular piece of evidence. Perhaps the reason is that I had not time to figure it out in two hours. At all events, he left out a very important element of cost, and I want to point out that the annual rental from Winnipeg to Quebec is about $4,200,000. On the basis of calculation of 25,000,000 bushels of wheat being shipped, it would require sixteen cents per bushel to pay the rental alone. On 50,000,000 bushels of wheat which, compared with the other traffic, would be a very large computation, and I do not think we could add everything else in and possibly hope to exceed that, you will have to get eight cents a bushel to pay the rental and then you have to pay the whole cost of operation and overhead expenses on top of that.

Mr. GRAHAM: Does my hon. friend not think it fair to admit that there will be something drawn besides wheat?

Mr. MEIGHEN: Yes, but I do not admit that there will be 50,000,000 bushels of wheat.

Mr. GRAHAM: No, and there will not have to be.

Mr. MEIGHEN: If the whole import of the United Kingdom is 260,000,000 bushels, how can we expect to get 50,000,000 bushels for the Transcontinental, 50,000,000 bushels for the Canadian Northern railway and from 75,000,000 to 100,000,000 bushels for the Canadian Pacific railway? To do that we will have to control the whole of the wheat from the rest of the world. So, I say, taking everything reasonable into consideration, it would require a traffic that would be fairly represented by 50,000,000 bushels

of wheat, at eight cents a bushel to pay the rental alone.

Mr. GRAHAM: If you did not draw anything else.

Mr. MEIGHEN: The hon. gentleman himself left out passenger traffic. It is impossible to estimate everything. Does the hon. gentleman believe that the whole traffic will exceed a traffic represented by 50,000,000 bushels of wheat?

Mr. GRAHAM: It would probably exceed the traffic that would be represented by half of 50,000,000 bushels of wheat anyway. The fallacy that my hon. friend is falling into is that the rate on grain is very low but the rate on manufactured goods going back, and goods coming from the old land, is much higher and you have to calculate that you will get as great returns from the other traffic as from the wheat.

Mr. MEIGHEN: I do not think that is the case. I do not think that the hon. gentleman will say that it is the experience of other roads that they get anything like the traffic in that they get out.

Mr. GRAHAM: Not in tonnage, but returns in money.

Mr. MEIGHEN: Or returns. I remember the hon. gentleman's remarks on another subject, a subject that I really thought he would be correct on if he could be correct on anything. He objected very strenuously to the evidence of Mr. Tompkins and to the conclusion from the evidence that there had been a huge loss in the construction of engine houses. It will be remembered that Mr. Thomas Tompkins was the witness who gave evidence to a man of practical experience that the fortunate gentlemen who, under the peculiar system of the commission, got the building of these engine houses, out of a total cost of $203,911.78, had been able to pocket in profit $115,209.19. They had secured over 50 per cent, or more than half of the whole cost as profit. That was the finding of Mr. Tompkins. My hon. friend said that Mr. Tompkins was not a good authority on the subject. He said that he was an old friend of his down in Brockville, that he had known him quite well some fifteen or twenty years ago when he did know something about building engine houses, but that he had forgotten all about it, just as my hon. friend has forgotten how to set type. I am afraid the hon. gentleman has not followed the career of this gentleman very closely. I took occasion to make inquiries with reference to this matter further, and ascertained that Mr. Tompkins was the man who built the engine houses for the Canadian Pacific railway at Chapleau and at Westmount in 1906, and that he was the man who had been the most recent constructor of engine houses in Canada, and who had built them actually about the time that the engine houses were built on the Grand Trunk Pacific. Mr. Gutelius having known his friend (he having built engines under him), and knowing that he was actually engaged in the same work at approximately the very same time, I think my hon. friend will have to admit that no better witness could have been secured. The hon. gentleman has now to defend the process of letting contracts that gave the contractors $115,000 of profit out of a $203,000 job.

There is another phase of the subject that I want to speak of now, namely, the subject of trestles and, in connection with that, the subject of over-break. The hon. gentleman has a very poor opinion of wooden trestles. He thinks that they are going to rot, and consequently they never should be put up. We all know that wooden trestles, or wooden anything else, will not last forever. We all know that in their nature they are more or less temporary. No one has ever disputed that, but the question that is before us is this: Was it in the interest of good business, in the interest of ths railway and in the interest of the country that wooden trestles be put there for the same purpose that wooden trestles are put on every other road? That is the question before us. Wooden trestles are used for two purposes. Where they require, or desire, to have a train fill over a valley, wooden trestles of a very temporary character are used, in order that the small donkey engines of the contractor may go over them and in that way dump the loads of earth into the fill. That is only one purpose. They are not used very much for that purpose, but there is another. Wooden trestles are used on all roads in order that a temporary structure may be used for such valleys as I have mentioned, where a train fill, or cement or steel structures are ultimately intended, in order that we may provide more cheaply in the end for the ultimate character of the construction intended and in order that the trains may carry the filling over the line and that the filling may be dumped into these structures as time goes on. The hon. gentleman says that that is a very poor system because there is danger of fire

and no doubt there is some little danger of fire. He says that on account of that danger a little will be added to the cost of operation, but he has made no calculation to show that the danger of fire and the consequent cost of guarding against it bear any relation whatever to the saving that would have accrued if this system had been adopted. He simply tells us that we cannot adopt it, no matter what the saving may be. The privileges that ordinary railway companies have are denied to this Government in the building of a railway. It may be that the Grand Trunk Pacific would use this system in their western line. He assumed that they did use it. He admitted that they built wooden trestles wherever it would pay them to do so, and when they had no barrier to prevent them doing so. He knows that the Grand Trunk Pacific railway in western Canada, ever since their line has been constructed, and that is many years ago, has used wooden trestles and are using wooden trestles still. There are large and long structures of wooden trestles right in Manitoba, and that road has been operated over them for years, and doubtless will be operated over them for some time to come. Why should not the same system of building have been adopted here, inasmuch as it is in the interest of economy, and without in any way detracting from the value of the road? Why is it that the Government of Canada was debarred, as the hon. gentleman says they were, from adopting any system of economy that was in the interest of the road and of the country, and that was open to any other railway company to adopt? My hon. friend says, we could not do that, for if we did the Grand Trunk Pacific would not take over the road. We have bound ourselves, he says, to deliver over to them a railway actually completed and ready for operation. Well, Mr. Fielding, his predecessor in charge of this work, did not take that view. He, as shown by the report, very clearly took the view that the same course was open to the then Government as was open to any other builder of a railway, and that they could build a road which would save money to the people of Canada, so long as they did not detract from the value of the road. Mr. Fielding clearly pointed out to the House, that the road would be completed and ready for operation, although at the same time there would be work to be done upon it in the future that would bring it to its ultimate high standard. If that course was open to the commission and it was good railway business, would the commission be justified in shutting themselves out from that right later on? Were they justified in delivering into the hands of the Grand Trunk Pacific Railway Company the keys to the treasury of this country? Surely they were the guardians of the money of the people of Canada. If it was in the interest of good railway businesss to adopt this method of building the Transcontinental railway, why should they have shut themselves out of that right by a bargain with the Grand Trunk Pacific Railway Company? Does the hon. gentleman still adhere to the statement that the Grand Trunk Pacific Railway Company would refuse to take over the road if there were wooden trestles? Is it not a fact that the Grand Trunk Pacific Railway Company not only did not so refuse, but encouraged the use of wooden trestles just for the purpose that I have mentioned, and that the Transcontinental Railway Commission, having an eye to the enhancement of the cost, decided against the Grand Trunk Pacific Railway Company, and built the road without wooden trestles and paid 55 cents a yard for train-haul fills to contractors, thus encouraging the contractors to overbreak and everything else in order to get the 55 cents a yard train-haul fill? I will read the evidence of Mr. Woods, engineer for the Grand Trunk Pacific Railway Company. He was examined by the commission and here is what he said on page 432:

Q. Did the Grand Trunk Pacific have anything to do, so far as you know, with the elimination of wooden trestles on the Transcontinental railway ?—A. They did not.

Q. Your company would not have objected to the construction of wooden bridges, as is the usual practice on other new railways in Canada and the United States ?—A. They would not; they even recommended it in some instances.

Q. There are advantages in the construction of wooden bridges on a new railway through a new country, are there not ?—A. There are, in my judgment.

Q. Will you tell us, in your own language, some of the advantages that occur to you ?

In Mr. Woods' answer he shows the various advantages that accrue from wooden bridges. (Reading):

Q. Permanent wooden trestles ?—A. Yes. I think this is generally done in the construction of lines of any magnitude, aside, possibly from Government work here in Canada.

In the face of that evidence, the hon. gentleman tells us that the company, whose engineer says that they recommended that system of construction to the Transcontinental Railway Commission, who actually tendered themselves and wished to get the contract for filling these wooden trestles at twenty-five cents a yard and

who would thereby have saved millions of dollars to this country, would refuse to take over the road if there were wooden trestles. The hon. gentleman says that the Grand Trunk Pacific Railway Company would not take over the road. Is there a portion of the National Transcontinental railway system that is going to be used more than the line between Winnipeg and Fort William, which runs from Winnipeg to Graham, and then by the Grand Trunk Pacific from Superior junction down to Fort William? I think not. Does he tell us that there are no wooden trestles on the line from Graham to Fort William? Why, it is dotted with them. That is the system the Grand Trunk Pacific Railway Company adopted in building that line in that northern country, a line analogous in every respect to the National Transcontinental railway. If the hon. gentleman will go over this line—I speak now on the authority of one who has been over it—he will find that the road from Graham to Fort William is built in accordance with profiles and the plans; he will find that there is not overbreak to the extent of thirty or forty per cent, as Mr. Macfarlane swears there is allowed on the contract from Graham to Winnipeg. He will find that the excavation there is cut out within reasonable proportions of the original design, and that overbreak is kept down to a minimum through that rough country. But if he looks over the McArthur contract from Graham to Winnipeg, he will find that the road is forty per cent wider than it ought to be; and that overbreak has been indulged in to the extreme. What is the reason? It is because Mr. McArthur was encouraged to indulge in overbreak. He was encouraged to put in dynamite here, there, and everywhere, because on whatever he blew out he got fifty-five cents a yard using it for train-haul fill along the line. Where you have wooden trestles, where you use the system that other railways adopt in railroad building, you do not hold out a prize to the contractors to indulge in the luxury of overbreak. That prize was held out in this case. The engineers of the company, under the compulsion that they themselves have referred to, consented to allow the overbreak that was so thrown down, inasmuch as it was used in train fill. As a consequence, the contractors had a certain right on their side when it came to the arbitration and, as a result, the arbitration board, to which my hon. friend referred, was not in a position to judge of this overbreak qeustion on its own merits. His argument on this overbreak is this: It is true there was some overbreak; it is true there was more overbreak than there should have been; twenty per cent is all that you ordinarily are allowed; there was thirty to forty per cent here, but that is all very well, for we provided an arbitration board to look into that. The arbitration board consisting of Mr. Grant, Mr. Kelleher and Mr. Schreiber, looked into this question and decided that a reduction of $500,000 was all that could be made and that settled the question, and Messrs. Gutelius and Lynch-Staunton had no further right to interfere in the matter. Does that settle the question? What situation faced the arbitration board? This thing had been going on for years and years. The engineers of the Transcontinental Commission had been passing on this overbreak. Contractors had been encouraged to throw down this great amount of rock, and to make 40 per cent of overbreak instead of 20 per cent, while the rock and clay and loose rock thrown down had been used in the construction of the road instead of trestles. The consequence was, the contractors had rights at this time, which, if the Transcontinental Commission had done its duty, they never would have had. These rights had to be taken into account by the Arbitration Board. But the duty of the investigating commission was to ascertain whether, if the Transcontinental Commission had done its duty, a greater sum would not have been saved in overbreak. And the investigating commissioners found that if the Transcontinental Commission had done its duty, the cost of the reduction in overbreak would not have been merely $500,000 but would have been $678,000 more. The question is not settled by the award of the Arbitration Board. Their finding, doubtless, on the facts before them and with the arguments which the contractors could advance, was a fair finding, I do not challenge that. But the arguments that the contractors could advance would not have been possible, they could not have been advanced, if the Transcontinental Commission had done its duty and forbidden this overbreak.

Now, the hon. gentleman is very much concerned about the wooden trestles; for, he said, they would no sooner have been built than the Railway Commission of Canada would have compelled them to be filled up, and the Grand Trunk Pacific would have had to fill theirs up before this if they had been under the jurisdiction of the Railway Commission of Canada.

I should like to know what the hon. gentleman's authority is for saying that the Railway Commission of Canada had decided that the wooden trestles had to be filled up. I never heard of such a ruling of the board. If there is a wooden trestle that has had its day and is dangerous to the public, certainly then, as in every other similar case, the Railway Commission would decide that it must be replaced by something safe. But there has been no ruling by the board that wooden trestles are not to be allowed to serve their time on the Transcontinental, the Canadian Pacific, or on any other road. I will read the latest ruling of the commission on the subject, and I will ask the hon. gentleman to point out anything that warrants him in saying that the Railway Commission has set its face against wooden trestles. This was made on the 2nd of August, 1910.

It is ordered and directed:
That every railway company subject to the legislative authority of the Parliament of Canada, operating by steam power any railway or railways, any part or parts of which is or are constructed of, or upon wooden trestles the whole of which cannot be seen from an approaching train for a distance of at least one thousand feet, do, during the months of May, June, July, August, September and October of each year, provide, place, and keep a watchman, trackwalker, fire alarm signals, ballast flooring, zinc covering over caps and intersections or approved fireproof paint, as hereinafter directed, for the purpose of protecting the said trestles from fire; each such company having the option of adopting any of the said foregoing methods of protection.

This shows that the Railway Commission of Canada has not in any way set its face against wooden trestles, but only insists, in this as in every case, that due precautions shall be taken for the public safety.

Mr. BORDEN: It specifically recognizes them.

Mr. MEIGHEN: Not only specifically recognizes them, but directly endorses them. Does the hon. gentleman (Mr. Graham) imagine that the cost of keeping a man or the cost of having fireproof paint bears any comparison to the saving that would have accrued to the people of Canada if this more sensible and economical manner of constructing the road had been adopted—in the end resulting in just the road the hon. gentleman says the country set out to secure? What is the interest on about $5,000,000 that this country has lost because the Transcontinental Commission refused to adopt the methods of the Grand Trunk Pacific, the Canadian Pacific railway, the Canadian Northern railway and other roads in utilizing wooden trestles to secure economical and at the same time thorough construction?

The hon. gentleman tells us that the commissioners' report is entirely wrong also in its conclusion on the Cap Rouge viaduct. The Cap Rouge is a small river, or creek, I understand, that flows into the St. Lawrence between the Quebec bridge and the city of Quebec. In order to cross this they had a steel viaduct which, of course, must have a substructure. In this case the commission saw fit to adopt the character of substructure used in the Quebec bridge, that is, to have the pneumatic caisson instead of the open caisson. As I understand it, in the case of an open caisson, piles are driven until the solid rock is reached, and on the floor formed by the top of these piles, the caisson sits, composed of a wooden structure made up of twelve-by-twelves within which the concrete is built, resulting in a square block of concrete resting securely on the top of the piles. As against this there is the pneumatic caisson, which consists of the concrete being built on the solid rock by means of a pneumatic system of getting air into the enclosure and by keeping out the water, enabling the workmen to work. The hon. gentleman says the commission would never have been justified in using the open caisson on the Cap Rouge viaduct, but had to use the pneumatic caisson such as are used for the substructure of the pillars of the Quebec bridge. He gives as a reason that there was a great depth of mud there, and that the waters of the St. Lawrence come up the Cap Rouge river and reach the viaduct itself, and would have injured the open caisson. I want to tell the hon. member that not only is there no ground for any such fear in this case, but that he himself is the authority who has proven that there is no such ground. He himself, in case of a viaduct over the Sturgeon river between Graham and lake Superior junction, where the depth and the mud is greater, where the danger is greater,—I am speaking on the authority of engineers who have been there and made an examination—authorized and ratified the use of the open caisson. Not only has he done it at Sturgeon river viaduct, but also in the viaduct over the Vermilion river. In both instances, the very reasons he gave for forbidding the use of open caissons in the Cap Rouge viaduct existed and existed in greater degree —if they are reasons at all. The fact is, there is no such reason, and I speak advisedly—I speak on the authority of gentlemen

who know—when I say that he cannot point to any instance of this most expensive class of pneumatic caisson in the case of any similar structure on the face of the earth. What is the use of a structure of this kind in the case of the crossing of a little creek or river like the Cap Rouge? The hon. gentleman did not produce any authority whatever for his assertion that there was any danger from the use of open caissons in connection with the Cap Rouge viaduct, and he has failed to justify the conduct of his commission and failed to justify his own conduct in not saving to the people of this country the enormous sum of a quarter of a million dollars that was lost in that regard alone.

I come now to the question of the Chaudière cut. The hon. gentleman believes that the commission is entirely wrong in this regard also, and that the sum of $351,000, which, it is asserted, might have been saved the country if due regard had been had for economy in connection with that cut would not have been saved. The Chaudière cut is an expensive one, a mile, I believe, from the extremity of the Quebec bridge. At the Quebec bridge, the hon. gentleman himself admits, there is a one per cent grade, and if only a one per cent grade had been insisted upon in the Chaudière cut instead of a four-tenths grade, a saving of $351,000 would have been made. If the train is fully loaded, a pusher engine has to be used wherever there is a one per cent grade, but if the train is not fully loaded, a pusher engine is not used. Is it good common sense, therefore, to throw away $351,000 rather than run a pusher engine a mile from the Quebec bridge? Surely that appeals to hon. gentlemen; why not let a pusher engine run a mile from the Quebec bridge, where a pusher engine has to be used on fully-loaded trains? The engineer himself who reported on this matter, and whose advice the hon. gentleman should have followed, said that the prospects for heavy traffic were not such as to warrant the belief that there would be, within a reasonable number of years at all events, any necessity for a pusher engine over the Quebec bridge or over the Chaudière cut; consequently there was not only a lack of excuse for running a pusher engine out a mile from the bridge, but there was no excuse whatever for throwing away this $351,000 of the public money. It is the same all down the line; it is the same from one end to the other. The pole star set before the Transcontinental Commission seems to have been to put all the money they possibly could into the Transcontinental, and then boast about what a fine road they had. If a business concern that has set about to establish, we will say, a shingle mill, were to insist upon having marble floors, metal roofs, stained glass windows and all other appurtenances which are more fitting in a bank than in a shingle mill, they could justify their course on all fours by the very argument with which hon. gentlemen opposite have attempted to justify the course taken in connection with the Transcontinental railway. The proprietor of the shingle mill could say: We have the best floor in any shingle mill in North America; we have the finest roof to be found in any shingle mill on the continent; we have stained glass windows which are found in no other shingle mill on the continent; we do not need to equate the results so far as profit against capital expenditure is concerned—that is the argument of hon. gentlemen opposite. Even though we are wrong, they say, for goodness' sake do not say so or you will frighten the financiers of the world. The hon. ex-Minister of Railways has been deeply concerned for the financiers of the world and the reputation of the Grand Trunk Pacific for many years. In 1910, when the terrible state of the financial world that he to-day so vividly depicts and so much deplores did not exist, he had the same fear in his soul that he has now. In 1910, when the then member for Simcoe told the House and told the country and told the world that this Transcontinental railway was going to cost $218,000,000, the hon. gentleman pleaded, for goodness' sake do not say a word about it, or we would frighten the financiers of the world and they would turn their backs upon the Grand Trunk Pacific project. He told them that it was doing an injustice to the Grand Trunk Pacific and doing an injustice to Canada for us to dare say to the financiers of the world that this road was actually going to cost $218,000,000. We were not telling the financiers of the world the whole truth at that time; we were telling them only part of the truth. On the same basis we know to-day that it will cost $234,000,000 to build the Transcontinental railway. I do not know why in 1910 we would have been justified in taking the advice of the hon. member for South Renfrew and in refusing to tell the financiers of the world even half the truth. I do

9 p.m.

not know on what principle we in this House are justified in refusing to disclose the truth about any Canadian project. I do not know that in the end truth does much harm to anybody. The hon. gentleman says it is not the truth, but he says we should not say it, even if it be true. It was not the whole truth in 1910; it was only part of the truth; but so far as it went it was absolutely true, and he was afraid of divulging even that part of the truth. In 1914 he does not want any part of the truth divulged. He says we are wrong in doing so because we are criticising not only the management of this thing but the Government of the day that had control of it as well. Are we to sit in this House and refuse to criticise the Government of that day? When we were in opposition did we criticise it; that was our function as members of the Opposition, and if hon. gentlemen opposite are going to follow the injunction of the hon. member for Renfrew and refuse to criticise the Government of the day for fear of frightening the financiers, had they not better start for home at once? There might have been a Government in power not long ago that did not wish the truth to be disclosed about Canadian ventures, either private or public, but that Government went out of power on September 21, 1911. The Gutelius-Staunton report does no injustice to the Grand Trunk Pacific in disclosing the actual facts. The Government of the day does no injustice to them or to anybody else in making known the facts so disclosed, and the Government of the day would be derelict in its duty to the financiers of the world and to Canadian institutions generally if they showed any disposition to withhold in the slightest degree the facts of this or any other case. There is a new ruler in Israel just now, and the facts are going to be disclosed as long as that ruler holds the reins of power.

The hon. gentleman says that the cities of St. John, Halifax and Quebec will be dreadfully alarmed when they hear that there are such things as small momentum grades on the Transcontinental; that they will be fearfully alarmed when they hear that wooden trestles, used on every other railway in the world, are actually used on the Transcontinental, and he calls upon the Prime Minister of the day, the Minister of Marine and Fisheries and the Postmaster General to rise up as three righteous men to save these three cities from the awful catastrophe which will come upon them if the world finds out that momentum grades and wooden trestles are actually used on the Transcontinental. I want to assure the hon. member for South Renfrew—I do not need to assure the cities of St. John, Halifax and Quebec; I do not need to assure this country—that the Government of the day can be entrusted to see to the interests of Canadian ports and to the interests of Canadian lines.

The determination of hon. gentlemen opposite to guard so faithfully the interests of Canadian transportation is a determination of very recent growth. It did not have an abiding place in their hearts two and a half years ago. It is only two and a half years since they professed utter indifference to the interests of Canadian transportation lines and of Canadian ports. If only they could get some further outlet for the products of western Canada and of Canada as a whole, they did not care whether it was over American or over Canadian lines. The Government of to-day will see to it that there is no practical degrading whatever, and no diminution of the operating value of the Transcontinental railway by any system of momentum grades or any other system. But at the same time they will see that money is not extracted from the treasury of this country for purely fanciful results; and the people of St. John, Halifax and Quebec well know that their interests are secure in the hands of the Government that securely guarded them two and a half years ago, as they have been guarded at all times when such a Government has been in power. They well know that no traffic will be lost to them through any action of this Government in respect of the Transcontinental railway.

Now, Sir, I say in conclusion, the Gutelius-Staunton report stands unmolested and undisturbed by the attack of the hon. gentleman. He has used terms of abuse directed against the authors of that report. I do not think the terms he used were justified. He did not apply them to any other man in connection with this whole enterprise. He has turned the vials of his wrath upon them. He has described them in a variety of terms. The same course was followed by the hon. member for Carleton, N.B. (Mr. Carvell). But neither of these gentlemen has taken a single finding of that report on the facts: the ex-Minister of Railways has not taken a single assertion in that report or any of the evidence that backed up that assertion, and shown that any of these items which in the report were stated to be possible savings to the people of this country could not have been saved and saved without depreciating in any degree the operating value of that road.

That is the essential finding of that report, that stands and will stand. The $40,000,000 is made up of savings that could have been made without detracting from the operating value of that road, or its value as an asset to the people of Canada; and in that $40,000,000, the $4,500,000 which, in the opinion of Mr. Staunton, was spent illegally is not included. The $40,000,000 includes only that part of the $4,500,000 which was not expended for the Transcontinental railway at all, but for the Grand Trunk Pacific, and for which there was no justification whatever. There is $40,000,000 beyond that. Then there are the damages that will be assessed against this country in connection with the northern route into the city of Winnipeg, by reason of the failure of the Government then in power, before they finally determined upon the northern entrance, to come to terms with the Canadian Northern railway, to make a fair bargain with them. These damages are attributable to the mismanagement of the hon. gentleman (Mr. Graham), himself, and of the commission who had charge of this work. These damages are still unknown, but they are estimated by the company injured at $10,000,000. This is not included in the $40,000,000 of savings that the commission say might have been made in the laying out of the line itself, if before that line was laid out, hon. gentlemen opposite had not determined on this rigid and unnecessary adherence to strict rules. A line could have been secured, had the rules been fair and reasonable and more in consonance with the rules adopted by other great railways, which, the commissioners say, would have meant a saving of millions of dollars to this country in addition to the millions mentioned in the report itself.

The responsibility of that is on the hon. member for South Renfrew, but it is in a still greater degree on the right hon. the leader of the Opposition. He is the gentleman who, himself, against the advice of his Minister of Railways of that day, fathered this institution and foisted it on the people in the form in which it was foisted on them. He is the one primarily responsible, he has proclaimed it as a monument that is to make his name immortal in this country and throughout the world. I think the Gutelius-Staunton report has had this result if it has had no other; it has shown the right hon. leader of the Opposition and the hon. member for South Renfrew that the National Transcontinental railway is not now such a monument as they would wish to have pressing down upon their remains.

Mr. W. M. GERMAN (Welland): Mr. Speaker, I feel it something of a work of supererogation to discuss this report of Gutelius and Staunton after the very searching and thorough investigation which was made by the ex-Minister of Railways and Canals (Mr. Graham). He made a speech in this House on which I wish to congratulate him and which, in my opinion, ranks with anything ever heard within the walls of this Chamber. It dissects that report from beginning to end and leaves it standing in all its hideous nakedness. I was much interested to hear the Solicitor General (Mr. Meighen). I saw some days ago a photograph of that hon. gentleman in one of the Toronto papers and under it were the words 'the rising hope of the Conservative party,' and I was anxious to hear how high that hope would rise to-night on this great subject. But, Sir, I am free to say that if the Conservative hopes cannot rise higher than that, they will not reach any very great height of political splendour. The hon. gentleman, just before resuming his seat, said that the object of an opposition was to criticise. Well, Sir, it struck me very forcibly that the Solicitor General thought he was still in opposition. He was continually referring to the hon. member for South Renfrew as the Minister of Railways and Canals, and his whole demeanour was similar to that when he occupied the Opposition benches. His speech was, to my mind, a rather narrow special pleading, without that breadth of argument and that wealth of original suggestion which you would have expected from this rising hope of the Conservative party.

This report has been submitted to members of Parliament and the hon. member for South Renfrew has moved an amendment condemning it. Of that amendment I fully approve.

I say that not from the first to the last page of this report, is there a single earmark of a desire on the part of these commissioners for an impartial investigation, or to show that they felt their official responsibility. The honourable the Solicitor General says that we complained that Mr. Staunton took part in politics, and he says that Mr. Staunton had a right to do as he liked. Mr. Staunton was a royal commissioner, appointed by warrant of the Crown to consider of the matters referred to him and to deal impartially and fairly between the parties interested. Is it like

an impartial judge to deliberately step off the bench and announce himself as counsel in the proceedings? That is what Mr. Staunton did. One would have supposed that the royal commissioners investigating a matter of this great importance, touching the honour and integrity of high class business men in this country—the commissioners of the Transcontinental railway—would have said to these gentlemen: 'We are investigating this matter and we are going to take evidence; that evidence may in some measure reflect upon you, and we will give you the opportunity either to be present when the evidence is taken or to be represented there by counsel.' Did they do that? No. They held a star chamber investigation. They called such witnesses as they liked and when they liked; they took such evidence as suited themselves; they embodied in the record such evidence as suited their purpose and having done that, they toss the report into this parliamentary arena and say: 'On that partial evidence we base our report of these great wrong-doings.' I say that it was an absolutely partisan investigation; it was not an inquiry by a Royal Commission, but an inquiry, highly paid for by this Government, to find out, if possible, some way of condemning the Transcontinental Commissioners, and I say deliberately that from the beginning to the end of that report there is not one tittle of evidence to support the findings. It is based on improper evidence and its suggestions and insinuations are insulting to high class business men of this country. What do we find? Take the very first paragraph which has already been dealt with.

> Until the appointment of Major R. W. Leonard in the autumn of 1911, no member of the commission had any experience or knowledge of railway building or operation.

It has been said that it was not necessary that the members of the Transcontinental Commission should be experienced railway men. With that I quite agree. The Minister of Railways and Canals himself is not a railway man, yet he is building railways and canals continually. Major Leonard is a very estimable gentleman whom I know exceeding well and I have not a word against him, but it is not unfair to him to say that he never built or operated a railroad in his life and knows no more about operating and building railroads than I or any other man in this country. Why put him up as a paragon of perfection in the construction and operation of railroads?

What further do they say?. The hon. ex-Minister of Railways and Canals has referred to the last paragraph of the finding in regard to extravagance. Let me refer to another paragraph on page 24. And I submit to this House and to the country that a more slanderous and disgraceful statement never was published by any man, let alone royal commissioners, than is to be found on that page. Every man in this House and every man in the country knows of the late lamented Charles M. Hays. Every man who knew him knows that no more high-minded man, no man of finer character or greater ability in railway building ever lived in Canada. He was the man that was practically instrumental in starting this great Transcontinental railway. We remember the first speech he made in the Railway Committee in support of this great national undertaking, and it was that speech practically that influenced the Railway Committee in support of this project. What do these commissioners say?

> We unhesitatingly find that the Grand Trunk Pacific Railway Company, instead of discount-enancing, has rather encouraged this inexperienced commission in its exravagant expenditure on this railway.
>
> If the railway company really expected to operate this railway when completed according to the terms and at the rental provided in its agreement with the Government, we must attribute its want of proper care to its indifference to the interests of its own shareholders or its desire to so increase the cost of construction of the 353 miles of railway, for which it was contractor, so as to reap the largest present profit possible therefrom.
>
> It was a very credulous commission indeed if it relied on its contractor, the Grand Trunk Pacific Railway Company, interested as such in high classification, to criticise improper classification where other contractors were concerned, or to expect that that contractor would be astute to discourage expenditures where they were the builders of one-seventh of the line.

I say that that statement is a slander against the Grand Tunk Pacific Railway Company presided over in England by Mr. Smithers, a man of the highest class, and managed by a board of directors of the highest class in Great Britain, and presided over in this country by the late C. M. Hays at that time. I want to ask the Prime Minister and the members of his Government if they wish to stand as sponsors for that statement? If they do they have a different feeling in regard to this matter than I believe they have.

I wish to make a few references to the arguments of the hon. Solicitor General in reply to the hon. member for South Renfrew. He spoke of the entrances into Winnipeg and complained that the railway ran

into Winnipeg over a high trestle and on a high embankment. I do not know whether he is in favour of an embankment or not, but I will tell the hon. gentleman this. The embankment is there because the Railway Commissioners of Canada ordered that it should go in on a trestle and that the trestle should be filled. That is the only way you can go in. If the hon. gentleman says you cannot go in on a trestle or an embankment, he might as well say the Grand Trunk railway, the Canadian Northern railway and the Canadian Pacific railway should not go into the city of Toronto on a trestle. The Railway Commissioners ordered them to go in on a railway elevated on a viaduct. In the same way the Transcontinental railway is going into the city of Winnipeg. I have very little to say as to that. My hon. friend from South Renfrew (Mr. Graham) explained the situation fully. He stated that the Transcontinental railway has the best entrance into the city of Winnipeg. The Solicitor General controverts that and says to the contrary. I am willing to let it stand at that without any further word or suggestion from me and I am willing to let these statements go before the people of the country for their verdict. I venture to say they will approve of the statement of my hon. friend from South Renfrew rather than the statement of the hon. Solicitor General.

Then, we come to another matter that touches us, as far as the Transcontinental railway is concerned, a little more nearly; and that is in connection with the Transcona shops. The Solicitor General says that Mr. Staunton may very fairly differ from any other legal authorities in the country. The Solicitor General admits that Mr. Lynch-Staunton is wrong in his law.

Mr. MEIGHEN: I do not say that.

Mr. GERMAN: Silence gives consent. His department says so, the Minister of Justice says so, Mr. Newcombe, the Deputy Minister of Justice, says so and the Law Clerk says so. If the Solicitor General differs from them and joins Mr. Lynch-Staunton, very good for him. At any rate, he says there is no reason why Mr. Lynch-Staunton should not differ from other legal authorities. There is no reason why he should not. Mr. Lynch-Staunton is a very good lawyer and a very estimable gentleman and I have not a word to say against him. He is a most bitter partisan. I do not believe that in the making of this great world the good Lord ever created a greater partisan than Mr. George Lynch-Staunton, and I do not believe he ever tried to. But as I have said, he is an estimable gentleman. It is not the fact that he differs from all the legal authorities that I complain of but it is that he says: in law you should not have built these shops, and because you have built them you have wasted $4,500,000 of the people's money. If he had said: In law I do not think that you should have built them, but all the other legal authorities are against me; the Minister of Justice, the Deputy Minister of Justice, all the great lawyers in Canada, are against me on the law; Sir William Whyte, the arbitrator, is against me as a matter of practice, and although I think they are all wrong, as I have a right to think so, still, you being right, the expenditure of this money was proper. Why did he not say that? Is that not what a royal commissioner should have said and would have said if he had been a fair royal commissioner? But, no, he said: You are all wrong in law, and being all wrong you have wasted $4,500,000 of the people's money. This expenditure is represented throughout the country as being an extravagant and wasteful expenditure. As a commissioner he should have stated: I think you are wrong in law but as you have been held to be right, the money is properly expended.

My hon. friend said something about the cost of the line. We know the cost of the line and we know the cost of other lines. That matter has been fully gone into and it is not necessary for me to weary the House by reiterating these figures. Then he goes on to speak of what we call momentum grades. It would be well to understand just where we are in connection with this matter. There is without doubt much difference of opinion amongst engineers as to whether there should be momentum grades or whether there should be actual grades of 0·4 per cent and 0·6 per cent as provided for. Why has this been done? Why was provision made for a 0·4 per cent grade against eastbound traffic and a 0·6 per cent against westbound traffic and why was it adhered to strictly by the commissioners? Were they right or wrong? It was simply owing to the fact that the Grand Trunk Pacific engineers, the engineers of the Railway Commission and the engineers of the Government got together and devised specifications for the construction of this railway and they prepared such specifications and designs as Mr. Hays and the directors of the railway company desired. The board of English directors, represented

by Mr. Hays in this country, said: We want a railway built from Winnipeg to Moncton with a grade of 0·4 per cent against eastbound traffic and a grade of 0·6 per cent against westbound traffic; that is the road we will take over and pay rental for, that is the kind of road we expect you to build. That is the kind of road that was intended to be built when they started out and they continued building that kind of a road until this Government began to degrade it. There is the whole question. The Grand Trunk Pacific built and are building the same class of road west of Winnipeg. They wanted a road from the Atlantic to the Pacific oceans with that kind of grade and they had sufficient knowledge of the country through which this road was running to know that that class of grade could be easily built and without exorbitant cost. It is folly to say that one engineer favours the momentum grade and that another engineer says it is all wrong. I do not care whether it is right or wrong so long as the agreement for the building of the National Transcontinental railway is maintained. That was the policy of the Government. That policy was submitted to the people of Canada in 1904 and received their strong approval. It was submitted to the people in 1908 and again received their strong approbation. In 1908, after we had heard in this House, ad nauseum, the same class of talk which has been given us to-night by the Solicitor General against this high class railway, the people approved of it and they will approve of it now.

Mr. MEIGHEN: The hon. gentleman is mistaken; it was before the 1911 election that these statements were made.

Mr. GERMAN: It was not an issue in the 1911 elections at all. There was another issue in that election. It really makes no difference in reference to these momentum grades, if one admits that the grades established by the engineers of the Grand Trunk Pacific and the Transcontinental Railway Commission are the grades under which the road was to be built and are the grades which will make it the best railway not only in Canada but in America.

It would take the largest hauls of any transcontinental railway on the American continent. My hon. friend the Solicitor General, speaking of grades, said it was impossible for ninety-seven cars to be hauled in one train. He is wrong. There is a railroad in Canada to-day that hauls not only ninety-seven cars, but one hundred cars or more.

Mr. NESBITT: One hundred and twenty cars.

Mr. GERMAN: Yes, one hundred and twenty cars, and that road is the Michigan Central railroad.

Mr. MEIGHEN: Loaded cars?

Mr. GERMAN: Loaded cars. I have counted them time and again.

Mr. MEIGHEN: How did you know that the cars are loaded?

Mr. GERMAN: They are sealed and I presume they are loaded. In going from Chicago to New York these trains pass the town of Welland in which I live. On the Canada southern division of the Michigan Central there are just the same gradients that there will be on this National Transcontinental railway.

My hon. friend says that the Canadian Pacific railway have momentum grades. I presume they have. I believe that every railroad, in its initial operations, as a rule establishes these momentum grades to some extent in order to cheapen the cost of construction. The grades are taken out later on as time progresses and as circumstances warrant.

Mr. MEIGHEN: These have been put in just lately in the revision of the road.

Mr. GERMAN: I quite appreciate that fact, but it is to get rid of one per cent grades, which are much heavier grades than these momentum grades are.

Mr. GRAHAM: To get over the hump.

Mr. GERMAN: I know pretty well about the Canadian Pacific railway west of Winnipeg, although perhaps not as much as does the Solicitor General. I know that the Canadian Pacific railway west of Winnipeg has been totally rebuilt, at least once and probably more than once. Which would be the cheaper, to build a first-class road in the beginning or to build a second-class road and then in a few years rebuild it? The question really comes down to that. Mr. Hays, the directors and the engineers of the Grand Trunk Pacific railway company thought that it would be better for them, in order to carry the great traffic which they anticipated they would get right from the start, to have a first-class road built immediately and that they would rather undertake to pay the interest on the cost of construction of a first-class road from the start than to have a second-class road from the start which would debar them from hauling the freight which they

expected to get and which they intended to go after. Consequently, they said: Build a first-class road and we will take the responsibility of paying the interest on it. Who will find fault with them for doing so? The hon. member for North Grey (Mr. Middlebro) last night rather insinuated that the Grand Trunk Pacific would never take over this road. They will never take it over if this Government degrades it so that they cannot carry the freight they expect to obtain. If the road is kept up to the standard at which it was maintained until this Government came into power, there is no doubt as to the Grand Trunk Pacific Railway Company taking it over.

My hon. friend (Mr. Meighen) spoke rather derogatorily of the capitalization and of the shareholders of the Grand Trunk Pacific Railway Company. I would like to tell him and this House and the country that, in the Act confirming the agreement with the Grand Trunk Pacific Railway Company we find that the Grand Trunk Railway Company of Canada, one of the wealthiest institutions of America, is behind this project; that it is compelled to take a large percentage of the stock of the Grand Trunk Pacific and hold it during the whole term of this lease, namely, fifty years. This company is bound to guarantee the bonds of the Grand Trunk Pacific Railway Company for the cost of construction over and above the bonds guaranteed by the Government. Therefore the Grand Trunk Railway Company are behind the carrying out of the agreement made by the Grand Trunk Pacific Railway Company. My hon. friend, forsooth, presumes to insinuate that the Grand Trunk Railway Company, composed of men of the highest class men in Great Britain, is endeavouring to keep up expenditure in the construction of this road so as to have an excuse to violate the terms of the contract. That seems to me to be absolutely and utterly absurd. Yet Messrs. Gutelius and Lynch-Staunton say that the Grand Trunk Pacific Railway Company have no idea of economy, and that they are trying to make a few paltry dollars out of their contracts for the construction of this railway. Everyone who knows anything about the matter knows why the Grand Trunk Pacific Railway Company entered into the field as competitors for the work. They made their reason absolutely plain at the time. They said: We will likewise go into the field as competitors so as to keep down the prices on these contracts; we will see what the work is going to cost and will bid ourselves and, if we cannot get the appliances to build the railway, we will sublet the work to other contractors at our prices and will see that the road is built at the proper figure and on economical principles. That is why they went into the construction. I presume they are quite satisfied to make the few dollars they would make just as any other contractor would be, but their primary object was to keep down the cost of construction.

My hon. friend says that momentum grades do not degrade the road. They make it more difficult for locomotives to haul trains over the road, as heavy trains cannot be hauled over a road with momentum grades as can be hauled over a level road. The primary object of every railway company on the American continent is so to reduce the grades of their line that they can haul the heaviest possible trains. The Grand Trunk Railway Company did that; the Canadian Pacific Railway Company is doing it too. Every railroad in the United States is doing it because they are compelled to do it in order to compete with the water routes in the hauling of freight. They are all the time bringing down their gradients to the lowest possible figure. Although a momentum grade may not so seriously degrade the road as to make it unfit for use, of course the company can haul the freight, but they cannot haul the quantity of freight and they cannot haul it at as low a figure.

My hon. friend (Mr. Meighen) says that he has never heard of Mr. Berry. My hon. friend is young yet. He will probably hear of Mr. Berry later on. He has heard of him at any rate in this discussion. I have heard of Mr. Berry and can corroborate what the hon. member for South Renfrew has said, that he is the highest railway authority on the American continent. What he does not know about railroad construction, about gradients and about the classification of a railway for freight haulage, there is very little use of any man in this country endeavouring to find out. What he says I fully and heartily rely on.

My hon. friend also spoke about the curvatures and the trestles. As to the trestles, I might say this. He read the evidence of Mr. Woods that the Grand Trunk Railway Company was willing that wooden trestles should be put in. What is the position?

They were willing they should be put in if the Grand Trunk Pacific were allowed to fill them in after, and thereby delay the operation of the lease for a couple of years and lose to this country 3 per cent a year

on the total cost of construction. They said: We will not take over the road as a going concern if wooden trestles are built, but we will fill them in and hold back the rental for that length of time. What would these hon. gentlemen opposite have said if that had been done? What a howl of indignation we should have heard from the Solicitor General then. He would have said: Why did you not carry out your agreement and build a first-class road?

In regard to curvatures the position is exactly the same. These matters were settled, as I have already said, between the Grand Trunk Pacific railway, through Mr. Hays, representing the English board of directors, the engineers of the Grand Trunk Pacific, the engineers of the Commission and the engineers of the Government. The class of railway then decided upon is the class of railway they set out to build, and that is the class of railway which should have been built without any degradation. To show that that was the intention, to show that that was the object of the Grand Trunk Pacific company, just so soon as this Government attempted to degrade the road by putting in momentum grades, they got a letter from Mr. Chamberlin, President of the Grand Trunk Pacific, saying: You are degrading the road, and we will not take it over. He immediately repudiates the proposition; he calls the attention of the Railway Commissioner, Major Leonard, this great railway builder, to the fact that the road is being degraded and the agreement entered into violated, and declares that if this continues the company will not feel bound to take over the road. And that letter stands there to-day a menace to this Government or to any Government in regard to the taking over of that road by the Grand Trunk Pacific. When you have it finished next year, ready to put trains on it and you say to the Grand Trunk Pacific: There is the road completed—his answer will be: There is my letter written two years ago in which I pointed out that you had degraded the road; and you have admitted through your Solicitor General in the House of Commons that that is the effect of your action, why, then, should we be compelled to take over the road? Has not the hon. gentleman placed in the hands of the Grand Trunk Pacific solicitors the greatest brief that they could hold for the maintenance of their case? The Government have violated the agreement with the Grand Trunk Pacific and will continue violating it unless they cease putting in momentum grades and get back to the situation which existed prior to the time when the former Commissioners were turned out.

Mr. MEIGHEN: While the hon. gentleman is on that point, will he be good enough to read the portion of the agreement that prevents the putting in of wooden trestles or momentum grades?

Mr. GERMAN: The whole thing was approved of—

Mr. MEIGHEN: Read the clause of the agreement.

Mr. GRAHAM: Go on with your argument; I will find it.

Mr. GERMAN: Now, the Solicitor General says that by reason of the ex-Minister of Railways having refused to make these changes, the country has lost $6,200,000. I defy him to find within the four corners of this evidence one iota of testimony to justify his statement.

Mr. MEIGHEN: Why did not the hon. gentleman ask me while I was speaking and had the evidence before me?

Mr. GERMAN: The hon. gentleman has the evidence before him.

Mr. MEIGHEN: No, I have not it now.

Mr. GERMAN: There is nothing to show that the country lost that money by reason of the ex-Minister of Railways refusing to change these grades. And what is more the contention that these grades should have been put in is not sustained by the evidence in this report. We have engineers saying that money would have been saved if momentum grades had been put in. They express themselves sometimes in percentages and sometimes otherwise. There is no evidence to show that any substantial sum of money would have been saved by putting in momentum grades. But they have shown what the whole object of this proposition was—a high-class road built as speedily as possible. We find that provided for in sections 42 and 43 of this agreement. And, Sir, it seems to me that the reading of these sections is sufficient to justify not only the conduct of the old commissioners but also that of the old Government in what they did, and enough to justify this Government in turning at once back to the standard which the old Government had set:

It is hereby declared and agreed between the parties to this agreement that the aid herein provided for is granted by the Government

of Canada for the express purpose of encouraging the development of Canadian trade and the transportation of goods through Canadian channels. The company accepts the aid on these conditions, and agrees that all freight originating on the line of railway, or its branches, not specifically routed otherwise by the shipper, shall, when destined for points in Canada, be carried entirely on Canadian territory, or between Canadian inland ports, and that the through rate on export traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports than via United States ports.

How in the name of all that is sensible could the Grand Trunk Pacific, having a longer haul to carry the products of the Northwest to the Atlantic than the American lines have, secure traffic unless they have a railway of the highest possible standard? I say, that shows in itself the reason why this road was to be of high-class. The Act further says:

The company further agrees that it shall not in any matter within its power directly or indirectly advise or encourage the transportation of such freight by routes other than those above approved and shall in all respects, in good faith, use its utmost endeavours to fulfil the conditions upon which public aid is granted, namely the development of trade through Canadian channels and Canadian ocean ports.

Is that not itself a sufficient answer to the special pleading of the hon. Solicitor General? I submit that it is a plain answer to his suggestion with regard to the construction of this road. In order to haul freight as cheaply as it could be hauled over shorter routes, a high-class road had to be built, and the directors of the Grand Trunk Pacific asserted to the former Government: You build us that class of road; we will take it over and operate it on the rentals which he have suggested, and we will build up a through Canadian traffic which will develop your ocean ports, build up your great northern country and develop the whole of Canada. My hon. friend says that the railway will not get the traffic. I am loath to hear these little Canadians talk in the Canadian House of Commons. Many years ago, when the Canadian Pacific railway was being built, we heard the Conservatives shouting for a greater Canada: the products of the West would come teeming down to the East; the products from the old land would go forth to the West over this great transcontinental railway, and Canada would be built up and become a hive of industry through their magnificent diplomacy and their energetic endeavour. But when a Liberal Government comes along and begins the establishment of a new transcontinental railway, better in construction, running through a far better country, leading directly to Canadian seaports, these little Canadian Tories stand up and say: When you have built the road you will get no traffic; you will be unable to pay interest on the money; the Grand Trunk Pacific railway will not get traffic enough to pay the Government the amount of rental provided in the lease, and the whole thing will be a failure. I regret very much to hear that sentiment expressed at this day in His Majesty's House of Commons. I have greater faith in Canada than that. So far as the northern part of the province of Ontario is concerned, it will not be seven years, it will not be five years, before a profitable local traffic will be developed on that line which will go a long way towards paying the rental provided for in that agreement. Now I will read to the hon. Solicitor General the provisions of clause 7, chapter 21, of the National Transcontinental Railway Act. They are as follows:

In order to ensure for the protection of the company as lessees of the eastern division of the said railway, the economical construction thereof in such manner that it can be operated to the best advantage, it is hereby agreed that the specifications for the construction of the eastern division shall be submitted to, and approved of, by the company before the commencement of the work and that the said work shall be done according to the said specifications and shall be subject to the joint supervision, inspection and acceptance of the chief engineer appointed by the Government and the chief engineer of the company, and, in the event of differences as to the specifications or in the case the said engineers shall differ as to the work, the question in dispute shall be determined by the said engineers and a third arbitrator, to be chosen in the manner provided in paragraph four of this agreement.

Mr. MEIGHEN: I am quite aware that that clause is in the contract, but will the hon. gentleman be good enough to explain how that prevents the use of wooden trestles or momentum grades?

Mr. GERMAN: It would not prevent wooden trestles; it would not prevent momentum grades; it would not prevent saw-logs being used, if they were agreed to by the engineers, but momentum grades and wooden trestles and saw-logs are not agreed to by the engineers.

Mr. MEIGHEN: The hon. gentleman cannot say that momentum grades or wooden trestles are debarred by the specifications.

Mr. GERMAN: Mr. Chamberlin says they are, and he is president of the Grand Trunk Pacific railway. He will take mighty good care that these grades are put back before he takes over the road.

Mr. MEIGHEN: Just read from the specifications where they are debarred.

Mr. GERMAN: I am not reading from the specifications; I am reading from the statute authorizing the making of the specifications.

Mr. MEIGHEN: And the statute says that they are not debarred unless debarred by the specifications, and they are not debarred by the specifications.

Mr. MACDONALD: Are they provided for in the specifications?

Mr. GERMAN: My friend the Solicitor General will have to revise his legal opinions; he had better consult his friend, Mr. Lynch-Staunton.

Mr. MEIGHEN: Show me in the specifications where they are debarred.

Mr. GERMAN: In regard to the traffic, the hon. member for South Renfrew said that according to Mr. Tye, 8·05 10 p.m. trains both ways each day would develop a traffic and an income sufficient not only to pay all the working expenses and the rental provided for in the agreement, but to leave a fair margin of profit as well. I am strong enough Canadian to say that when the seven-year term expires, not 8.05 trains a day only, but 8·05 trains a day both ways—yes, and double 8·05 trains a day both ways will be running on that line.

An hon. MEMBER: You will have to change the Government first.

Mr. GERMAN: I am inclined to think the Government will be changed the very first time the people of the country are given an opportunity to do it, particularly when they thoroughly understand what the Government is doing in regard to this great national undertaking which they approved on two different occasions.

This country is big enough to maintain three transcontinental railways, and the Grand Trunk Pacific, being the best, will get the traffic. I do not wonder that the Canadian Pacific railway take a little umbrage at the high-class construction of the Transcontinental railway. I have heard men say, first-class engineers and leading railway men, that when the Grand Trunk Pacific railway is completed and in operation, the Canadian Pacific railway will have to rebuild their line in order to compete with the Grand Trunk Pacific—and they are doing it now. They will have to rebuild their line and bring down their grades; any man who knows anything about railroad operation—and I know a little about it by reason of having talked to prominent railway men—knows that the railroad which has the low grades gets the business and the railroad that has the high grades does not. My hon. friend dealt with the question of tenders, and in that connection I wish to make a reference or two to this precious document of Gutelius and Staunton, which says:

> The rules adopted by the commission in advertising for tenders, the unlimited security required to be furnished by the contractors, and the proposal to let the work for the most part in unreasonably large sections, resulted in only five contractors tendering for 806 miles of the railway, and eleven contracting firms secured all the work and sub-let it to upwards of 100 sub-contractors, who, had the work been divided into reasonably large sections and the security required in other governmental contracts only been exacted, would have in all probability competed in the bidding. As an indication of the handsome profits derived by these eleven firms, it appears that they were paid $8,800,000 in profits for that part of their work which they let to sub-contractors.

They say that by making smaller sections a greater number of bids would have been put in and there would have been keener competition. I have heard that said in this House. There is no large work undertaken in this day of the world which is let out in small sections; that is a thing of the past, when work was done by horses and scrapers and ploughs and shovels and picks and wheelbarrows and wagons. Then you would let out work in small sections. But now, when the work is done by means of steam shovels, steam drills and steam derricks, big sections have to be advertised. Why? Because the cost of the plant is so enormous that unless a contractor is offered a big section he will not bid, he will not take a small section. A contractor must have a section big enough to allow him to pay for his plant at least. The Welland canal has been referred to. I know something about that. I remember that when the present Welland canal was built, it was let out in small sections and hundreds of contractors were at work up and down the canal, many of them failing continually, and the Government was in trouble all the time with small contractors. What happens now? They are building a new ship canal with thirty-foot draft and enormous

locks, a canal which it is estimated will cost $50,000,000. It is divided into nine sections of an average of a little over $5,000,000 a section. There is one section, it is true, which is a very short one, only a mile in length, in which the work will cost $10,000,000. That had to be let in one section. There will be another section or two which will be short, but will cost a large amount of money. The average is over $5,000,000. What happened? Every small contractor in western Canada, yes, in the whole of Canada, began to inquire how the work was to be let, whether in small or large sections. Many of them came to me, and I inquired from Mr. Weller, chief engineer of the canal, what was going to be done. He said: I am certainly going to let that work in sections large enough to permit the contractor to pay for his plant at least during the course of construction. And so he has done. There was a great howl. The Minister of Railways had considerable trouble with his own party friends, who endeavoured to force him to have Mr. Weller divide this up into smaller sections so that smaller men could get the jobs. Mr. Weller said no, and Mr. Cochrane, the Minister of Railways and Canals, very properly backed him up in that and said it must be let in big sections so as to secure as prompt a construction of that work as possible. That is the only way in which a great work of that kind can be accomplished. That work is being let in nine sections. Only four contracts have been let but the sub-letting is going on now and always will. No large work has been done without sub-contracting. Take the Erie canal from Buffalo to Albany. That was let in enormous sections and there was not a section that was not sub-let, practically throughout its whole length.

Let us see what these tenders are. I intend to place on 'Hansard' the successful tenderers, their prices and how those prices compared with the engineer's estimate and with the next lowest bidder. The commission stated that there were only a few tenderers so that it was divided up among a very few people, that there was no keen competition and that these contracts were given to the friends of the commissioners. The contracts were as follows:

Contract No. 1—
Engineer's estimate, $1,017,051.
Lowest tenderer, Grand Trunk Pacific Railway Company.
Awarded to Grand Trunk Pacific Railway Company at $989,895.
Below engineer's estimate by $28,000.

[Mr. German.]

Below next lowest bidder by $157,020.
Number of bidders, 3.

Contract No. 2—
Engineer's estimate, $326,341.
Lowest tenderer, J. W. McManus Co., Ltd.
Awarded to J. W. McManus Co., Ltd., at $289,190.
Below engineer's estimate, $37,000.
Below next lowest bidder, $35,000.
Number of bidders, 4.

Contract No. 3—
Engineer's estimate, $933,137.
Lowest tenderer, Grand Trunk Pacific Railway Company.
Awarded to Grand Trunk Pacific Railway Company at $767,434.
Below engineer's estimate, $166,000.

Contract No. 4—
Engineer's estimate, $2,356,389.
Lowest tenderer, Grand Trunk Pacific Railway Company.
Awarded to Grand Trunk Pacific Railway Company at $1,898,124.
Below engineer's estimate, $600,000.
Below next lowest bidder, $103,000.
Number of bidders, 2.

Contract No 5—
Engineer's estimate, $2,232,891.
Lowest tenderer, Kitchon Company.
Awarded to Willard Kitchon Company at $1,646,253.
Below engineer's estimate, $600,000.
Below next lowest bidder, $48,372.
Number of bidders, 7.

Contract No. 6—
Engineer's estimate, $1,478,395.
Lowest tenderer, Lyons and White.
Awarded to Lyons and White at $1,385,941.
Below engineer's estimate, $93,000.
Below next lowest bidder, $21,408.
Number of bidders, 6.

Contract No. 7—
Engineer's estimate, $3,139,367.
Lowest tenderer, M. P. and J. T. Davis.
Awarded to M. P. and J. T. Davis at $2,377,409.
Below engineer's estimate, $700,000.
Below next lowest bidder, $135,079.
Number of bidders, 3.

Contract No. 8—
Engineer's estimate, $5,491,974.
Lowest tenderer, M. P. and J. T. Davis.
Awarded to M. P. and J. T. Davis at $5,011,346.
Below engineer's estimate, $480,000.
Below next lowest bidder, $7,208.
Number of bidders, 4.

Contracts 9 and 10—
Awarded as one contract to Hogan & Macdonell.
Engineer's estimate, $6,172,000.
Lowest bidder, Hogan & McDonald, $5,279,000.
Below the engineer's estimate by $800,000.
Below the next lowest bidder by $260,000.
Number of bidders, six.

Contract No. 11—
Awarded to the Grand Tunk Pacific Railway Company.
Engineer's estimate, $1,776,000.
Lowest bidder, Grand Trunk Pacific Railway Company, $1,691,000.
Below the engineer's estimate by $85,000.
Below the next lowest bidder by $260,000.
Number of bidders, 3.

Contract No. 12—
Awarded to Macdonald & O'Brien.
Engineer's estimate, $5,715,000.
Lowest bidder, Macdonell & O'Brien, $4,599,000.
Below the engineer's estimate by about $1,200,000.
Below the next lowest bidder by $324,000.
Number of bidders, 2.

Contract 13—
Awarded to Macdonell & O'Brien.
Engineers estimate, $4,000,000.
Lowest bidder, Macdonell & O'Brien, $3,815,000.
Below the engineer's estimate by $200,000.
Below the next lowest bidder by $61,000.
Number of bidders, 2.

Contract No. 14—
Awarded to the Grand Trunk Pacific Railway Company.
Engineer's estimate, $3,985,000.
Lowest bidder, Grand Trunk Pacific Railway Company, $3,986,000.
Above the engineer's estimate by about $100,000.
Below the next lowest bidder by $436,000.
Number of bidders, 2.

This is the first contract where the lowest bidder was above the engineer's estimate. The next lowest bidder to the Grand Trunk Pacific Railway Company was the Pacific Construction Company, (E. F. Fauquier). Mr. Gutelius said that this contract should not have been awarded to the Grand Trunk Pacific Railway Company but to E. F. Fauquier (the Pacific Construction Company). In that case the country would have lost $436,000.

Contract No. 15—
Awarded to E. F. & G. E. Fauquier.
Engineer's estimate, $4,124,000.
Lowest bidder, E. F. & G. E. Fauquier, $3,936,000.
Below the engineer's estimate by about $200,000.
Below the next lowest bidder by $379,000.
Number of bidders, 2.

We now come to contract Nos. 16 and 17, which have created such a disturbance in the minds of hon. gentlemen opposite. I will state the figures and come back to the suggestions of the Solicitor General in regard to these two contracts afterwards.

Contract No. 16—
Awarded to M. P. & J. T. Davis.
Engineer's estimate, $3,224,000.
Lowest bidder, M. P. & J. T. Davis, $3,308,000.
Above the engineer's estimate by about $60,000.
Below the next lowest bidder by $94,536.
Number of bidders, 2.

Contract No. 17—
Awarded to M. P. & J. T. Davis.
Engineer's estimate, $2,004,000.
Lowest bidder, M. P. & J. T. Davis, $2,019,000.
Above the engineer's estimate by $15,000.
Below the next lowest bidder by $80,000.
Number of bidders, 2.

Mr. J. E. ARMSTRONG: Would the hon. member be good enough to give the actual cost on these contracts, instead of the estimates which are practically a guess?

Mr. GERMAN: If my hon. friend wants the actual cost he will have to go to the Transcontinental Commission as this report does not give it, by any manner of means. The returns sent in to the Transcontinental Commission by the engineers will show the actual cost.

Mr. J. E. ARMSTRONG: The report gives the actual cost up to the date of publication.

Mr. GERMAN: My hon. friend has got the report before him; he can look at it if he wants. I say it does not give the cost of the work up to the present time. You can only ascertain that from the progress estimates sent in from time to time by the engineers on the work.

Mr. ARMSTRONG: It gives the actual cost up to the date of that report.

Mr. GERMAN: My hon. friend can read it if he wants to. I am giving the engineer's estimate in charge of the work, that is, the chief engineer of the Transcontinental Commission. I am giving the amount of the tenders and the number of the tenderers, to show that in every case the lowes bidder got the contract and in every case was far and away below the engineer's estimate.

Contract No. 18—
Awarded to E. F. & G. E. Fauquier.
Engineer's estimate, $2,326,000.
Lowest bidder, E. F. & G. E. Fauquier, $2,101,000.
Below the engineer's estimate by $225,000.
Below the next lowest bidder by $91,000.
Number of bidders, 4.

Contract No. 19—
Awarded to O'Brien & Fowler.
Engineer's estimate, $7,864,000.
Lowest bidder, O'Brien & Fowler, $5,967,000.
Below the engineer's estimate by $1,900,000.
Below the next lowest bidder by $436,000.
Number of bidders, 4.

Contract No. 20a—
Awarded to O'Brien & McDougall.
Engineer's estimate, $1,513,000.
Lowest bidder, O'Brien & McDougall, $1,158,000.
Below the engineer's estimate by $400,000.
Below the next lowest bidder by $126,000.
Number of bidders, 2.

Now we come to contract No. 21, awarded to J. D. McArthur. Hon. gentlemen opposite have been throwing fire bags, I might say, at this contract, for which there were four bidders. I will give the figures:

Contract No. 21—
Awarded to J. D. McArthur.
Engineer's estimate, $13,756,000.
Lowest bidder, J. D. McArthur, $13,010,000.

Below the engineer's estimate by $746,000. Below the next lowest bidder by $18,354. Number of bidders, 4.

That is the last contract. And yet Messrs. Gutelius and Staunton say that there is something unfair and improper in the advertising for tenders and the letting of these contracts; that friends of the commission were given the contract. In every case, with the exception of two, there was keen competition and a large number of bidders and the lowest bidder was far below the engineer's estimate. And in every case the lowest bidder got the contract, and was below the next lowest bidder by several thousand dollars. How in the face of that, can Messrs. Staunton and Gutelius say that there was anything improper in the advertising for tenders and the awarding of contracts. It is just in line with their whole course of procedure. Theirs was not an investigation at all but a Star Chamber hearing. Their whole object was to present, as far as their ability would allow them, a report detrimental to the Liberal party in Canada, and detrimental to the Transcontinental railway.

About $140,000,000 was expended by the former commissioners up to the time that they went out of office. Messrs. Gutelius and Staunton have raked that office from top to bottom for two long years, endeavouring if they could to get their hand on something by which they could impeach that commission for wrong-doing and by which they could show that some money had been wrongfully expended, that some money had filtered through somebody's fingers, and that some information had been given out that should not have been given out, but they have been unable to find that one dollar of the people's money has been improperly expended. It speaks volumes for the honesty, the integrity, the fairness and business acumen of these commissioners to find that in the handling of $140,000,000, extending over a period of ten years, not one dollar, after this tremendous search by these partisan commissioners, has been shown to have been improperly expended.

Let us go back now to the M. P. and J. T. Davis contracts. Contracts Nos. 16 and 17 appear to be the bete noir of hon. gentlemen opposite. The hon. Solicitor General says this was not a sub-letting of a contract, it was the sale of a contract. I do not care whether you call it sale or sub-letting; it was the transfer of a contract from M. P. and J. T. Davis to O'Brien, O'Gorman and Company. I apprehend that there is not a man in this House or in Canada who will deny that M. P. and J. T. Davis had a right to transfer that contract to a reputable firm of contractors if they saw fit. If they had received as a return for the transfer two per cent, I presume there would have been no fault found with it by hon. gentlemen opposite. It is because they obtained ten per cent that these hon. gentlemen find fault with this transaction. Mr. M. J. O'Brien says that Davis wanted fifteen per cent, and, knowing Davis as I do, I am not at all surprised that he wanted 15 per cent.

Was there anything improper in the subletting of the contract? I heard the Solicitor General state that there was, but he says that after they got the contract they did nothing with the work for about nine months, and that the commissioners should have cancelled it and re-let it. I think I should put on 'Hansard' what the former Chairman of the Commission, Mr. S. N. Parent, says about it, because it is an attack on him and not on the Liberal party. This is an attack upon the Chairman and members of the Board of Commissioners. Mr. Charles M. Hays wrote a letter in October, 1909, to Mr. Parent, complaining that the work was not progressing under this contract, and suggesting that it should be cancelled and that new tenders should be asked for. This is what Mr. Parent says to Mr. Hays in reply:

14th October, 1909.

'Dear Mr. Hays:

'The essential point in your letter of August 2 to the hon. the Premier, regarding certain contracts in districts 'D' and 'E' was a request that they should be cancelled. In my answer, I therefore endeavoured to show that, the award having been quite regular in every respect—which you admit—such a step as was suggested would be illegal on the face of it.

'I noticed your contention that the prices were too high, but did not think necessary, for the reason just given, to dwell at very great length on that side of the question. Even granting the propriety of the ground taken, there is little doubt that it would not be sufficient before law to render void actions which were regularly performed.

'For the purpose of discussion, however, I am willing to go into particulars.

'Among other proofs that your company had urged with us that the work referred to should be let at an early date, I shall quote from a letter written by Mr. Morse to the hon. the Minister of Railways, on May 12, 1908, which says:

"In order to give the Grand Trunk Pacific an outlet to the east through northern Ontario, the contracts for the inlet portions of the line between Lake Superior Junction and the Temis-

kaming and Northern Ontario railway to be let without further delay, it being understood that the surveys are sufficient advanced to permit this being done."

'We complied with these wishes and contracts were signed on the 26th December of the same year. At such a late date in the season the contractors were unable to get their supplies, materials and plant in soon enough to begin operations during next season.

'Our forms of contract provide, it is true, that work be started at once and pursued diligently until completion, which, in the present case, is to take place on or before December 31, 1910. Allowance must be made, as you know, for adverse conditions. I need only to point out the fact that we have done so for more than one of your sub-contractors, viz.: the J. H. Reynolds Construction Company, who were so much behind in their work and gave us endless trouble. They were unable to carry out the undertaking, and we had at one time to advance money to pay their men. Yet your company would not withdraw its contracts, although they were practically in default. There is surely much less cause and possibility to do so in the present instance, where the facts are altogether different.

'Now we come to your statement, that tenders were all based on the work having to be taken up at once and completed within a certain time. As supplies had to be taken overland at great expense, the prices would naturally be high. Perhaps the work done on the adjoining section may, but the difference would not be as large as you claim. There will be still a considerable distance to cover by "tote" roads, while haulage by rail through to the point of delivery is no small item, and this remains the same. Labour conditions, which you represented as favourable at the time, must have been taken in account by the tenderers. It is not likely that workingmen can be had to-day as cheaply as could be expected a year ago, during the financial stringency.

'There is no certainty, therefore, that better prices than before could be obtained now if new tenders were to be called for. Any advantage that might be gained on one hand would be more than counterbalanced by the loss of time on the other, not to mention the liability incurred. It would take a year or more before another contractor would get down to work.

'We are told that preparations have been made to proceed actively with the work, and it can be expected that these two sections will be ready in good time.

'In any event, there would be no way of complying with your suggestion, as stated before, unless the contractors would give their consent to the work being let anew which, it seems, would be a most unusual course in business.

'Yours very truly,

'S. N. Parent,

'Chairman.'

The Solicitor General is very anxious to find out what lawyer advised that the contract could not be cancelled. Mr. S. N. Parent is one of the most prominent lawyers in Canada, and he advises that it would be illegal to cancel it. Whether he is right or wrong I do not pretend to argue, but that is his opinion. He is not only one of the best lawyers in Canada, but he has been Prime Minister of the province of Quebec for years, mayor of the city of Quebec for years, one of the most prominent business men in the country, and he knows as much about railway building, if not more, than this wonderful Major Leonard who is the present chairman of the board, and in fact the whole commission. In the face of that letter who can say that an improper thing was done when that contract was sub-let? M. P. and J. T. Davis had a perfect right to transfer that contract to O'Brien or anybody else. With that we have nothing to do. The question is: Was the contract properly obtained by Messrs. Davis, and, if so, had they a right to maintain the contract? If the contract was properly let and if they had a right to maintain it, that ends the matter in so far as they were concerned, because they had the right to make as much profit out of it as they saw fit. Ten per cent is not at all an unreasonable sum for a contractor to receive by handing over the contract to a sub-contractor. I happen to know something about contract work, because for the last thirty years I have been doing business with and for contractors in the highest class of contracts. I have known contractors to get 15 per cent on many occasions. I know how they conduct their business, about sub-letting and about the profit they receive. Ten per cent is a fair, average profit for a contractor who has put up his money and security and has taken all the risks, which would be heavy in work of this kind. Ten per cent is not a large or an exorbitant profit for a contractor to receive. That is the whole story in regard to the matter, and I am willing to leave that, as I am willing to leave the question of the entrance of the Transcontinental into Winnipeg, for the people of this country to say whether the late Board of Railway Commissioners did right or wrong. I am quite certain that the people of this country will say that they did only what was right and fair and proper under the circumstances.

Messrs. Gutelius and Lynch Staunton had rather, I might say, a satanic cunning in the way in which they went into this investigation. They would get just such evidence as they saw fit and nothing else. They went into the question of sub-contractors for a little. It was suggested to them that many of these sub-contractors were not making any money. It

is all very well for Gutelius and Lynch-Staunton to employ in Ottawa a couple of engineers to go over the sub-contracts which they got from the contractor and work out these figures given in the report, but that is not doing the work. There is something else to do besides that. If my hon. friends opposite will look at the evidence of Mr. Arthur Molesworth in the report they will find that the commission took the chance of asking Mr. Molesworth about profits received by sub-contractors, but they stopped there mighty quick.

Mr. GRAHAM: They did not want that.

Mr. GERMAN: Mr. Molesworth told them why the sub-contractors were losing money, and the contractors were actually paying the sub-contractors for their work rather than allow them to lose money. They were not bound to pay them, but they wanted the work to go on.

Mr. MURPHY: Is that mentioned in the report?

Mr. GERMAN: That would not suit the complexion of these royal commissioners. It is not mentioned in the report, but it is in the evidence. Mr. Molesworth said: I knew that these sub-contractors were losing money. Mr. Lynch-Staunton stopped that sort of cross-examination at once; he said nothing about it in the report, and from the beginning to the end of the evidence he never asked another man that question. He never called a sub-contractor to ask him whether or not the sub-contractors were losing money. Some of them probably were losing money. This, however, shows the character of the investigation. It is not an investigation. I would not dignify it by that name. It is an inquiry to find out what kind of evidence could be obtained to build up a mountain of attack against the Liberal party and against the Grand Trunk Pacific Railway Company. I submit that this document will be a disgrace to the public archives of Canada as long as it stays there.

My hon. friend the Solicitor General said that a large amount of money was lost on the Cap Rouge viaduct. If he would read the evidence of Mr. M. P. Davis, he would see the whole cause of the difficulty. Cap Rouge is a neck of the river. There is tidal water there; the water rises from sixteen to eighteen feet. There is a mud bottom. The contractors were to put in that tidal water a concrete foundation. The engineer of the commission and the engineers of the Grand Trunk Pacific decided that piles should be driven and an open caisson built on those piles. Messrs. M. P. and J. P. Davis got the contract and went down there to look over the work. In his evidence, Mr. M. P. Davis said: I will not be responsible for that foundation on an open caisson in that tidal water. I will not build it. You can take the contract and build it yourself. I will do the rest of the work if you wish me to or you can do the whole work yourself. When the engineers discussed the matter with him, he said that they should build the foundation using a pneumatic caisson. Mr. M. P. Davis is an expert on pneumatic caissons, one of the best in America and certainly the best in Canada. After the engineers of the commission and the engineers of the Grand Trunk Pacific had discussed the matter together, they decided that a pneumatic caisson was required. They built the pneumatic caisson and that is what made the extra expense. Yet Messrs. Gutelius and Lynch-Staunton criticised the commission for adopting the suggestions of engineers who knew fully as much as Mr. Gutelius and very much more than Mr. Lynch-Staunton in that regard.

My hon. friend speaks about the overbreak. There was a considerable amount of overbreak on the McArthur section, contract No. 21. My hon. friend said that $500,000 was deducted by the arbitrators under the old Government. I would like the House and the country to understand that long before Gutelius and Lynch-Staunton appeared on the scene, or had anything to do with this matter or knew anything about it, the whole matter had been settled by Mr. Schreiber, Mr. Gordon Grant and Mr. Kelleher. Gutelius and Lynch-Staunton say that there was over classification, great expense, two great returns, overbreak, &c. That whole matter had been settled by the board of arbitration before Gutelius and Lynch-Staunton appeared on the scene. Messrs. Gutelius and Lynch-Staunton asked a lot of questions in regard to matters which were all known to the commission and to the Grand Trunk Pacific Railway Company's engineers who made the complaint. Messrs. Gutelius and Lynch-Staunton report this as though they had discovered it. They say that they are the wonderful discoverers in this particular;

that they were appointed a royal commission to investigate; that they delved into this matter and dug up all this iniquitous transaction. That is not the case. The whole matter was known before the late Government went out of office and not only so, but the board of arbitrators went over the whole work; they settled the whole matter and settlements were made by the late Government, so far as they were made, on the report of that board.

I wonder if this Government could say the same. We will find out. Settlements were made by the late Government on the basis of that arbitration and award. These commissioners say: We find that all this money was paid out. There was money paid out, but it was kept back out of these contractors by the former Government in the final settlement made with them, and kept back under the provisions of that award. Now, how about Mr. McArthur's contract? Mr. McArthur's evidence stated the amount in question at about $600,000. I found out today on positive authority, from men who know all about the transaction, that it was $550,000 that the arbitrators decided should be kept back from J. D. McArthur for overbreak and overclassification under that contract.

Mr. GRAHAM: Under the late Government.

Mr. GERMAN: Yes, under the late Government. McArthur kicked, and his subcontractors kicked, of course, for most of it came out of them and not out of McArthur. Now, let me call the attention of the Solicitor General to what happened. He says it was $660,000, but—

Mr. MEIGHEN: It was that much more.

Mr. GERMAN: After this Government came into office they settled with Mr. McArthur for this overbreak and overclassification, and instead of settling on the basis of the award made by the arbitrators, the Government, or rather this great construction engineer, Major Leonard, settled on the basis of $150,000 where the arbitrators declared that the basis should be $500,000, so that in this way, McArthur was given $400,000 of the people's money.

Mr. MEIGHEN: I suppose the hon. gentleman has the facts there. Will he please put them on 'Hansard?'

Mr. GERMAN: I am putting them on 'Hansard' by my statement. I have not got the documents here. But let the hon. gentleman go to Mr. McArthur. Let him go to Major Leonard.

Mr. MEIGHEN: I am not allowed to seek again; I would like to get the facts on 'Hansard.'

Mr. GERMAN: The hon. gentleman can go to Major Leonard if he doubts what I have said. Or let him get the fact wherever he likes. I have made my statement on my responsibility as a member of this House that this commission and this Government has made a settlement with J. D. McArthur on the basis of keeping out not $550,000, but $150,000, thus going against the award of the arbitrators and making a clean gift of $400,000. I think, in the face of that, the less these gentlemen say about wrongdoing the better.

Now, how about the Davis contract? Why, all the Government have to do is to hold back the money if there is anything wrong. Why do not they do it? These commissioners say that Fauquier Brothers made an immense amount of money by getting a contract because of inside information. And from the first page of this evidence to the last there is not one line, not a tittle, to justify such a statement. If there were, this Government has yet to settle with Fauquier Brothers, and if there is anything wrong, having the money in their own hands, let them keep it. Let me see whether they will do that or not. They did not do it in the case of McArthur. These gentlemen do not say, but they insinuate—and it is a most insulting insinuation—that these men had inside information on the Transcontinental Commissioners which they should not have had. And again there is not a tittle of evidence from first to last of this book to show it. Mr. McArthur denies it, Mr. Davis denies it, Mr. Fauquier denies it and Mr. Parent himself denies it.

Mr. MEIGHEN: Surely, the hon. gentleman knows a little of what he is talking about. Mr. Fauquier admits it.

Mr. GERMAN: I beg the hon. gentleman's pardon, he does not admit it. Mr. Fauquier, in answer to Mr. Lynch-Staunton's question whether he had got information that there was not as much moss as the engineers had estimated, said: I made inquiry as to what moss there was. But it was an inquiry open to everybody. And I challenge the hon. gentleman to contradict that by the evidence.

Mr. MEIGHEN: He got the information from the engineers of the commission, as to the estimates of moss, and it was inside information.

Mr. GERMAN: The hon. gentleman is mistaken. Let him read the evidence; it does not read that way. Mr. McArthur says he got information but it was information that anybody could get. And the engineers say the same thing; there was no secret information about it. Mr. Fauquier says: I knew there was not as much moss as they thought. But whether the quantity was large or small does not matter for he said he would have put in the same price, 13 cents a yard, if there had been 5,000 yards which I think is the quantity the engineers estimated. The evidence shows conclusively that these gentlemen acted in good faith from beginning to end.

And what further insinuations are made against Mr. Parent? In contract 8 with M. P. Davis and Company, there was a question of timber price. Mr. Davis put it in at $80 a thousand feet. And he says: I put that in because I believed that on timber delivered in that country it is a proper price. These commissioners insinuate that Mr. Parent, the chairman of the commission, changed the date of the document from the 8th to the 18th of October to show that the document had been signed subsequent to the putting in of this timber price. And he was asked the question and his reply was: It may have been changed, but if so, it was changed since I gave up the chairmanship of that commission. And that is the class of insinuation that runs throughout the whole length of this so-called report of Royal Commissioners, men appointed to investigate and hold the scales of justice even as between the Transcontinental Commissioners and the people of Canada. Can any man say that a report of that kind is justified by the evidence? I say, no; any man who reads the evidence must come to the conclusion that it is a garbled statement got up for a special purpose of a partisan character, to discredit a political party, and, if possible, to injure one of the greatest industrial enterprises ever established in Canada.

On motion of Mr. Joseph E. Armstrong, the debate was adjourned.

On motion of Mr. Hazen the House adjourned at 10.57 p.m.

Friday, March 27, 1914.

The House met at Three o'clock, the Speaker in the Chair.

REPORT AND PAPERS.

Steamboat Inspection Report—Hon. Geo. H. Perley.

[Mr. Meighen.]

Documents relating to the Constitutional History of Canada, 1791-1818.—Hon. Geo. H. Perley.

PRIVATE BILL

FIRST READING.

Bill No. 124, for the relief of Lenore Power.—Mr. Bradbury.

THE NATIONAL TRANSCONTINENTAL RAILWAY.

Consideration of the proposed motion of Hon. W. T. White (Minister of Finance) for Committee of Supply, and the proposed amendment of Mr. Graham thereto, resumed from March 26.

Mr. J. E. ARMSTRONG (East Lambton): Mr. Speaker, I have listened with a great deal of attention to the numerous speeches delivered on this subject, and I am sure that we cannot help feeling that the Opposition have been doing their utmost to becloud the issue. They have not dealt with many of the important features of the report; in fact, they have dealt with very few of the statements contained in it. The one object of practically every man on the Opposition side of the House who rises to speak on this question is to becloud the issue, and to condemn the men who had charge of bringing forward this evidence. Hon. gentlemen opposite seem to think that the members of the Investigating Commission deserve the severest condemnation, when they know full well that practically every statement in this report is founded on facts gathered through a thorough investigation into the whole matter. They condemn Mr. Gutelius because he is an American citizen. One man will be doing that, and before he sits down, like the hon. member for South Renfrew (Mr. Graham), he will quote page after page of statements made by Mr. Berry, another American citizen. These gentlemen must realize that Mr. Gutelius has been a very great success in the business in which he has been engaged, not only in connection with the Canadian Pacific railway and other railways, but in connection with the business of this Government in respect to the Intercolonial. We find that Mr. Staunton is condemned for being a Conservative, and yet hon. gentlemen opposite must know full well that practically all the prominent positions under the present Government are occupied by appointees of the men who left office a few years ago. The great industrial affairs of Canada under the present Government are largely conducted by men appointed by

the present Opposition when they were in office. I was surprised last night to hear the hon. member for Welland (Mr. German) making the statement he did with regard to Major Leonard, the man at the head of the Transcontinental Commission. These are the words he used:

> Major Leonard is a very estimable gentleman whom I know exceeding well and I have not a word against him, but is it not unfair to him to say that he never built or operated a railroad in his life and knows no more about operating and building railroads than I or any other man in this country. Why put him up as a paragon of perfection in the construction and operation of railroads?

That is certainly a reckless statement for a man to make who, I am satisfied, is thoroughly conversant with the fact that Major Leonard has had much to do with the building of different railways in Canada, and in addition has held important positions in charge of water-powers. Major Leonard is not in town, but I was able to gather the following information: He has been chief engineer and manager of construction on a number of different railways. He was on the original construction of the Canadian Pacific railway north of lake Superior in 1884, as assistant engineer. About 1887 he was assistant engineer of construction on the Canadian Pacific railway between Montreal and Smith's Falls. About 1895 he was chief engineer of construction on the St. Lawrence and Adirondack railway, which joins the Canadian Pacific railway south of the St. Lawrence river, near Lachine. Subsequent to that he was chief engineer of the Rutland railway, and then chief engineer of construction on the Cape Breton railway. In 1896 he was manager of construction and in full charge of the building of the Canadian Pacific railway short line between Montreal and Ottawa. These are only a few of the facts that we might gather in connection with the successful life of Major Leonard. I am surprised that a man knowing Major Leonard as well as the hon. member for Welland must know him, should try to belittle that gentleman, occupying the important position which he does occupy. No matter what this Government may do, or what appointments they may make to positions of emolument under the Crown, hon. gentlemen opposite will take direct issue with their policy and manifest opposition to their appointments. They even go so far as to criticise the actions of their own men who continue to serve under the present Transcontinental Railway Commission. There are men employed upon the construction of this railway, notably those in charge of the Quebec bridge, who were appointed when hon. gentlemen opposite were in office.

The hon. member for South Renfrew (Mr. Graham) who, I am sorry is not in his seat, appealed to the business men of this House to look upon this project as a business proposition and to consider it from a business standpoint. I appeal to the business men of this House to take a general view of this whole undertaking and in this connection I desire to call attention to the fact that the Minister of Finance in the former Government, in 1904, made the statement that the Transcontinental railway would only cost $61,000,000, while to-day it has actually been shown that it will cost at least $234,000,000. Hon. gentlemen opposite, because of the reckless and extravagant manner in which they conducted affairs in connection with the building of this road, have been largely responsible for the difference between these two amounts. Had these hon. gentlemen considered some of the statements that were placed before them by their former Minister of Railways and Canals (Mr. Blair), they would have exercised greater care and more carefully considered their position before launching forth upon this extravagant project. Mr. Blair was for seven years Minister of Railways and Canals under the Government which recently went out of office, and he told the right hon. gentleman who now leads the Opposition (Sir Wilfrid Laurier) that it was not only unsound policy for him to attempt to build this road without satisfactory information and without proper plans and specifications, but it was most unwise for him to attempt such an undertaking involving such an enormous expenditure without a more thorough investigation of the conditions surrounding the project.

The man responsible to the people of Canada to-day for the putting through of this measure in the first place is the right hon. leader of the Opposition. The right hon. gentleman drove the Hon. A. G. Blair out of public life when he brought this Bill down in 1904, forced it through Parliament, and compelled the building of this great railway without sufficient information or data. Do you wonder that the present Government are compelled to take into consideration the enormous expenditures that are necessary in connection with the building of this road? Is it not a proper and a wise thing for us, who are connected with this Government, to ask

them at least to have a general stock-taking in regard to the building of railways and the supplying of transportation facilities in this country? When the late Government came into office in 1896 they found that the money expended on railways in Canada amounted to $700,000,000, in round figures. At the time they left office the amount expended on railways in Canada amounted to over $1,500,000,000, or more than double what it was in 1896. This has become a great burden upon the people of Canada, and the result is that we have not been able to build the Transcontinental railway in such a manner as to justify the expectation that the freight rates will be reasonable or fair to the people who use that road.

Let me call attention to a few of the facts set forth in the report of the commission which investigated the construction of the National Transcontinental railway. There is no dispute with regard to these facts to which I am about to direct the attention of the House. Hon. gentlemen may talk from now until the end of next week but they will not be able to convince the public that the following facts are disputed. The first statement made by this commission is to the effect that:

> The railway was designed, i.e., the standard was decided on, without any knowledge as to whether it was suitable for the country, and on assumptions as to business expected which were unwarranted.

No one will dare to dispute the fact that the road was decided on without any knowledge as to whether it was suitable for the country. What about the business expected by this railway? We are building in Canada to-day three great transcontinental railways. During the past year my hon. friend the Minister of Railways and Canals (Mr. Reid) has been able to move the freight from the great West in such a splendid way that there has been little or no fault found in connection therewith. The Grain Commission gave me a statement only a few days ago which shows that they were able to inspect fifty-three cars every hour, twenty-four hours in the day, seven days in the week for three months. In that time they handled 127,000,000 bushels of grain. Instead of the farmers complaining of the transportation facilities in the West to-day they cannot but feel satisfied that they are given every consideration and that their products will be carried from the West to the East in the most expeditious manner.

What position are we going to be in when this other transcontinental railway is brought to completion? You can readily understand that with another transcontinental railway in operation, unless the country develops and expands to a much greater extent than we can possibly hope it will, no reasonable amount of traffic can be given to this new road. The hon. member for Welland last night made the statement that instead of eight trains passing between Winnipeg and Quebec daily a more reasonable estimate would be twenty. Surely that was a very optimistic view to take of the situation. It is incredible that we should expect that within the next few years any such number of trains will go daily over that road. Look at the agreement with the Grand Trunk Railway Company. Do you expect that the Grand Trunk Railway Company, who have expended $20,000,000 on their Portland terminals, are going to ignore that great national port and allow their traffic to be carried over this road in order to help out the Government in that regard? How can any sensible person expect that this Transcontinental railway can give low freight rates to the consumer and to the producer, when it has cost such a vast amount of money, on which it must pay a reasonable return in the shape of interest? When the officials of the Grand Trunk Pacific are challenged by the Railway Commission to give reasons why they cannot reduce the freight rates, they will be able to plead that the road cost over $100,000 per mile, and that after operating expenses are paid, a fair return must be allowed for the investment. You can depend upon it that instead of there being a material reduction in freight rates, by reason of the building of the Transcontinental railway, there is more likely to be a serious increase in these rates. Hon. gentlemen opposite say that the Government cannot build a railroad as cheaply as can a private corporation, but in answer to that I refer them to the public undertakings that the province of Ontario has carried to a successful issue within the last few years. Only yesterday, within the walls of this building, there was a large and representative delegation, urging on the Government the need for radial railways, and we heard the Hon. Adam Beck make the statement that $20,000,000 had been expended by the Ontario Government in the hydro-electric service and in assisting municipalities, and that in no case did the actual cost of any of these undertakings exceed the estimated cost furnished by the

engineers in charge. The same argument can be used in regard to the Temiskaming and Northern Ontario railway.

Mr. BELAND: In how many instances did the contract exceed the estimates of the chief engineeer of the commission?

Mr. ARMSTRONG: If my hon. friend will turn to the report of the Transcontinental Investigating Commission, he will find that the men who estimated the cost of the Transcontinental railway had no data, plans or specifications on which to base their estimates, nor had they any accurate knowledge of the character of the country through which the railway was to be built. The result is that the road has cost nearly sixty per cent more than the estimated cost prepared by the engineers in the first instance. The hon. gentleman shakes his head, but let me give him one or two specimens of what occurred. In the case of contract No. 1, the amount paid the contractor to December 31, 1911, was $1,224,000 in excess of the estimated cost. On contract No. 2, the engineer's estimate was $376,000, and the gross amount of progress estimates paid to the 31st December on this contract amounted to $587,000, or nearly double the estimate of the engineers. In another contract, the engineer's estimate was $933,000, and the gross amount paid to the contractors was $1,042,000. The hon. gentleman can go through the whole list, and he will find that the engineers made these estimates without having plans or specifications or data, and apparently they simply guessed at it haphazard.

Were it not that the Government is forced to needlessly turn into this sinkhole, on account of original cost and maintenance, tens of millions of dollars, the Government could have undertaken other necessary works for the development of Canada. We had here yesterday, as I said, an influential delegation, urging assistance in the line of subsidies to hydro-radials in Ontario, so that the development of that province might be advanced, but the Prime Minister had to tell these gentlemen that the Government had to face such enormous expenditures in connection with the Transcontinental railway, and other works, that, while he would not say it was practically impossible to assist radial railways, he did not see that the necessary money would be available at the present time. Hon. gentlemen opposite know that there are other projects of great concern to the Dominion that might be undertaken, were it not that this money has been foolishly and extravagantly thrown away on the Transcontinental railway. I, personally, would be very glad to urge on the Government the necessity for build trunk telegraph and telephone lines, but I have not the heart to do so, because the late Government has pledged the present Government to such enormous public works, undertaken far and away in advance of the needs of the country, that heed must be taken to our provincial demands. The hon. member for Edmonton realizes that. He was one of those who urged on the Government the building of the National Transcontinental railway, and he knows as well as he knows anything, that in view of the enormous cost of that road, and the money squandered in its construction, it will be impossible for the farmers of the West to obtain reasonable freight rates. The hon. gentleman knows that while the National Transcontinental railway cost the people of Canada over $100,000 per mile to build, the Canadian Pacific has only cost $38,000 per mile. He knows also that the Intercolonial railway, in which we have $97,000,000 invested, and which we have been improving from year to year, has only cost, up to the present, $66,000 per mile. He knows also that the Prince Edward railway has only cost $31,000 per mile, and the Temiskaming and Northern Ontario $33,000 per mile. These are Government railways, but they were built with due consideration as to the return they would give on the actual investment. No one knows better than the hon. member for Edmonton that the Government of which he was a member were not justified in undertaking the building of a transcontinental railway, without first having furnished themselves with data and information as to its cost, and as to the service it would be able to render to the public, based on that cost

I remember the maps placed before us in 1904. The hon. member for Edmonton (Mr. Oliver) knows, and we were able to show that this railway was compelled to cross the streams and rivers in this north land instead of following them up from Montreal and passing through other places that were proposed. If the proposition laid down by the right hon. the leader of the Government of the present day had been followed out, we would have had from ocean to ocean a national railway of which every foot of ground, every tie, every rail,

every telephone and telegraph pole would be owned and controlled by the Dominion of Canada, and we would have had a successful undertaking which would have been a great benefit to the people of Canada. Hon. gentlemen opposite say the Intercolonial railway is not a paying proposition. How can they expect it to be a paying proposition when they have paralleled it with another line costing $35,000,000, which will take away a large portion of the trade that would otherwise come to it?

What do we find in regard to the railway situation in Canada? I will merely give the round figures in my statement. In 1896 the money invested in railways in Canada amounted to $697,000,000. In 1911, it amounted to $1,528,000,000; in 1913, to $1,531,000,000. From 1896 to 1913, our population has only increased by about 1,500,000. We have under survey, under contract and completed at the present time about 18,600 miles of railway. The details, which I have carefully ascertained, are as follows: Under survey, 6,557 miles; under contract, 8,591 miles; completed, 2,956 miles; in operation, 541 miles; total, 18,600 miles. This mileage is not included in the 29,300 miles already recorded in our books. When it is all completed, we shall have 47,900 miles of railways in Canada. It will be realized that we shall then have a much greater railway system than any other nation on the face of the globe, except the United States.

Let me give the House a few more facts in regard to railway facilities in Canada. Our population is 8,000,000. When the present mileage under survey and under contract is completed, we shall have 47,900 miles of railway. The capitalization will be about $2,000,000,000; passenger revenue, $74,000,000; freight revenue $177,000,000; other revenue, $5,000,000; total revenue, $256,000,000; passengers carried, only 46,000,000; freight tons carried, 106,000,000.

The United States have twelve times our population and only five times our mileage. The United Kingdom has five and a half times our population and only half our mileage. Argentina has the same population and one-third the mileage. The German Empire has eight and a half times the population and will have 10,000 miles less of railway than has the Dominion of Canada. Therefore, I feel that, so far as railway transportation facilities in this country are concerned, it is time that we had a general stocktaking. We ought also to take into consideration transportation facilities on our waters and our great lakes. We have already invested $135,000,000 in our canals. The Welland canal will increase that by $50,000,000 and we shall soon have $200,000,000 invested in our canal system. In addition to that we are compelled to build the Hudson Bay railway and to buoy and light the Hudson Bay strait in order to protect the ships that will go in and out of that great channel. These matters are receiving the attention of the present Government, and the people of Canada should realize that they have in this Government a wise, sane and sensible body of men who are determined to conduct the affairs of Canada in a businesslike manner.

Let me go back to this report for a moment or two. It states that the actual cost or the interest is to be paid by the lessees. That statement has not been refuted. Hon. gentlemen opposite know that statements have been laid before them in regard to advertising for tenders, which statements have not been contradicted or refuted. In regard to the method of awarding contracts, hon. gentlemen opposite say that, as far as M. P. and J. T. Davis were concerned, they were perfectly justified in receiving the amount of money that they did, namely, $740,000. The hon. member for Welland (Mr. German) supported that proposition in the strongest language possible. Yet these gentlemen know full well that, had these contracts been let at the time when operations were commenced, when both ends of the road were carrying the material with which the contractors could construct that portion of the line, the commission would have been perfectly justified in obtaining for the people of Canada a saving of at least $700,000 or $800,000.

Hon. gentlemen opposite do not dispute the over-classification. The only statement I have heard in that regard is by the hon. member for South Renfrew (Mr. Graham), who stated that Mr. Berry would support their contention in this regard, that after a year or two, when the material had been removed, it would be practically impossible for any man to come to a decision as to this over-classification. They did not dispute the fact that solid rock was classed as assembled rock and that large amounts of money were made in that way.

In regard to the ploughable clay, the statement made by the commissioners has not been refuted. The same is true in regard to overbreak and grades. Hon. gentlemen opposite have devoted a great

amount of time to momentum grades, when they know full well that the Canadian Pacific railway has to-day eighty-five momentum grades between Port Arthur and Winnipeg, and that these momentum grades are not causing any serious interference in the traffic on that road. They have devoted a great deal of time to the curvatures, and have said that it was a wise policy to make these great, sweeping curves instead of curves of reasonable size which would have saved so much to the people. They do not dispute the fact that had they used shorter curves no less than $2,400,000 would have been saved. We have heard a great deal also about the wooden trestles. But it has been shown that the Grand Trunk Pacific were ready to fill these trestles at 25 cents a yard after the road was in operation. But, no, this Transcontinental Commission said: Fill them in the most expensive manner; this country has unlimited resources, and we are willing to help the contractors in every way. Then, on the subject of the buildings and stations, these hon. gentlemen do not attempt to refute the arguments used against them. Nor do they attempt to deny that two prices were paid for handling the materials in many of these contracts. These were also the high embankments, the enormous amount of material unnecessarily removed,—the pictures in this report and the pages of evidence simply go to show that the statements made in their own defence by these hon. gentlemen are unjustified and unreasonable. They make no attempt to justify the expenditure of $61,000 for fences in a part of the country where there was not likely to be anything to interfere with the railway. Nor do they begin to refute the statements in regard to the Transcona shops. Those shops were built at the end of the line, where they could not possibly be of as great benefit to that railway as they would have been had they been built at a point to which the stock to be repaired could be brought by a reasonably short haul. The shops cost $4,500,000. There is not a doubt in my mind that the Grand Trunk should be compelled to pay—or at least they should have been compelled to pay—a large portion of that cost, for they will make a great deal of use out of these shops in time to come. Imagine a body of business men spending $4,500,000 on shops for a new railway on which they knew there could not be more than a small amount of business done and providing for this new railway shops so large that the Canadian Pacific railway could have had practically all their repairs done in these shops, with room left for all the repairs likely to be required on the Transcontinental. Then there was the Winnipeg entrance. You have heard how this entrance was built in such a manner that the country is compelled to pay tribute to the Canadian Northern railway in connection with the entrance to Winnipeg for practically all shunting and freight going in or out of that great city.

Now, just a word or two about the New Brunswick section. As these commissioners have said:

> Large sums of money in interest have been lost by the premature construction of the New Brunswick section of the railway. In our opinion this section should not have been constructed at all. If one-third of the money had been expended on the Intercolonial railway it would have provided all the trunk line facilities for the province of New Brunswick which would be required for many years.

Construction was away in advance of the requirements of the people, and on the money thus expended the people of Canada are paying interest, while the rails are rusting and the ties rotting.

Is it not clear that we were justified in taking the position we did in 1904? The leader of this Government (Mr. Borden) when leader of the Opposition, in 1904, urged the Government to extend the Intercolonial to the west and the coast and give us a Government-owned railway, and, in the eastern provinces, to extend the branch lines so as to assist materially in developing the country. This was a wise, sound policy; but instead of adopting that policy hon. gentlemen opposite persisted in a proposition that has saddled upon the people of Canada an enormous expenditure. The leader of this Government has been right on all these great national undertakings. I am proud and glad to be the follower of a man who has shown such business ability, straightforwardness and strength of character. I remember well the seven long months we spent in this House in attempting to show the Government of that day the necessity of investigating this whole question and of securing full information before undertaking it. I remember the position taken by our leader at that time, and the long days he spent in placing before Parliament the figures connected with this undertaking in the effort to prevent the people of Canada from being saddled with this unjustifiable expenditure. And in the years since then we have seen practically

every statement made by our worthy leader justified and established. Look at the statement he made with regard to what this railway would cost. He was ridiculed throughout the length and breadth of Canada as a man who could not look ahead and see what was necessary for the development of our great Dominion. But the outcome is that practically every word he has uttered in support of his position has been justified. We are doubly proud to have as our leader a man of such statesmanlike foresight.

The hon. member for South Renfrew (Mr. Graham) made the statement time and again in the course of his remarks that we should look upon this as a great business undertaking and regard it from the business standpoint. While I condemn the hon. member for reckless expenditure of the people's money in this great undertaking, and believe him to be worthy of special condemnation of the people for what he has done, yet I say that the man on whose shoulders rests the main responsibility for this whole undertaking, the man who committed the greatest blunder, was the man who attempted by this means to create a monument for himself, the right hon. leader of the Opposition, Sir Wilfrid Laurier. Instead of that monument being a work which will win for the hon. gentleman the approval of the people, it will prove to be, in fact it has already proved to be a monument of folly. If hon. members on both sides of this House will carefully examine the pages of this report, they can come to no other conclusion than that the present Government were justified in ordering this investigation, which they had promised before the last general election in the event of their being returned to office. In spite of all the talk that hon. gentlemen opposite have indulged in, there will be found within the pages of this report sufficient to condemn any body of men who will attempt to support it.

Mr. G. W. KYTE (Richmond, N.S.): Mr. Speaker, the hon. the Solicitor General (Mr. Meighen) introduced his speech in the House yesterday afternoon by giving the members a dissertation upon royal commissions. He referred somewhat facetiously to the appointment of commissions by the late Government and the alleged dissatisfaction of that Government with their findings. The hon. gentleman might, however, have found food for his facetiousness and for his philosophical observations very much nearer home if he had confined himself to a review of certain commissions appointed by the present Government. We all remember that it was announced a few months after the present Government came into office that a commission was to be appointed to investigate the various departments of the late Government. A commission was appointed under the name of the Public Service Commission, whose duties it would be to investigate the expenditure of money by the large spending departments of that Government. The members of that commission were Messrs. A. B. Morine, formerly of Newfoundland; Mr. G. N. Ducharme of Montreal, and Mr. R. N. Lake, a former member of the House of Commons. After the commissioners had begun their work, items of news filtered out through the Conservative press, from time to time, intimating that gross mismanagement had been discovered in the various departments of the Government. Newspapers supporting the Conservative party gave information to the public that in the Department of Public Works great extravagance and unjustifiable expenditures had been discovered. Naturally the public mind was being prepared for the report of this commission which was going to result, as was fondly hoped by hon. gentlemen supporting the present Government, in driving certain prominent members of the Liberal party out of public life. The report of this commission was anticipated just as that of Messrs Lynch-Staunton and Gutelius was anticipated by the Conservative press, as information from time to time was given out to the press by the commission appointed to investigate the National Transcontinental railway. But the Public Service Commission has not, so far as I know, up to this hour, presented its report to Parliament and I shall tell the House why. It may be remembered that in the House of Commons, in the month of April, 1912, the hon. member for Carleton, N.B. (Mr. Carvell) brought to the attention of the First Minister certain charges that had been made against Mr. Morine, the leading member of the Public Service Commission. Certain documents were placed on 'Hansard' by the hon. member for Carleton which had the result of speedily terminating the service of Mr. Morine as an investigator of the public service and of the different departments of the late Liberal Government. Mr. Morine, who was described by his former leader in Newfoundland as the 'greatest scoundrel who ever entered the Narrows,' had been appointed by the First

4 p.m.

Minister to investigate the conduct and the expenditure of public money by members of the former Administration. That report has not yet come down because the revelations and the disclosures made by the hon. member for Carleton as to the conduct of Mr. Morine in Newfoundland were such that his services were terminated by this Government, and no one was appointed to carry on the work which he had commenced. If the First Minister of this Government appointed a scoundrel to investigate all the departments of the late Government, is it reasonable to suppose that he would select angels to investigate the Department of the ex-Minister of Railways and Canals? Mr. Morine was a former candidate of the First Minister in the county of Queens-Shelburne, N.S., in the general election of 1904. He took up his residence in Ontario, in the city of Toronto; and if reports be true, after he had completed his work as a commissioner to investigate the conduct of the ex-Minister of Public Works and other members of the late Government, he was to have been selected for high honours carrying with them great emoluments. We no longer hear of the Hon. A. B. Morine and the report for which the taxpayers of this country had already paid many thousands of dollars has not been brought down to this House.

Mr. BORDEN: The hon. gentleman asserted that the report of the Public Service Commission had never been presented to Parliament. The statement surprised me very much and I examined the Votes and Proceedings of last year. If he will look at page 172 he will find that that report was presented on the 9th day of December, 1912. It was ordered to be printed forthwith.

Mr. KYTE: Inasmuch as the primary object of the inquiry was to present a report to Parliament which would reflect upon the conduct of the members of the late Government, and inasmuch as we have heard nothing of that report from hon. gentlemen opposite, we have reason to assume that there was not very much in it.

Mr. BORDEN: I was not discussing what was in it; I merely wanted to correct the hon. gentleman as to a statement of fact. I am sure that he would desire to be corrected in such a statement. It would be most undesirable had no report been presented, and I felt confident that one had been presented.

Mr. KYTE: I think I might be pardoned if I was not aware that such an important document was presented to Parliament; and inasmuch as we never heard of it when it was presented, we are bound to assume that no reflection in the way I suggested could be made on the late Government:

The hon. the acting Minister of Railways and Canals, in opening his remarks to the House on this subject on Tuesday, made an attack upon the former members of the National Transcontinental Railway Commission. He spoke with beautiful scorn and withering sarcasm of the men who had been appointed. He said:

> Let us see who were appointed commissioners to build this great Transcontinental railway. They were Mr. Fletcher B. Wade, the chairman, a lawyer; Robert Reid, a paper box manufacturer; Alfred Brunet, a financier; and Charles Young, a grain dealer. Upon the death of Mr. Wade and the resignation of Mr. Brunet, the Government, on July 31, 1905, appointed S. N. Parent, K.C., another lawyer, to succeed Mr. Wade, and C. F. McIsaac, in place of Mr. Brunet. Afterwards, in 1909, on the death of Mr. Reid, W. S. Calvert, of Middlesex, a former member of this House, was appointed to succeed him. Not a single one of these gentlemen had ever had any experience either in the building, management or the operation of a railway, and that, I firmly believe, accounts for the forty million excessive cost which the people of Canada have had saddled upon them.

That statement was made by the acting Minister of Railways with the full responsibility of his new portfolio weighing down upon him. The late commission consisted of F. B. Wade, who was the first chairman, a gentleman, who as every person in Nova Scotia knows, has been for many years in intimate association and direction of an important railway in the province of Nova Scotia. It is well known I am sure, to the right hon. the First Minister that for years Mr. Wade had the management and control of the Nova Scotia Central railway until it was taken over by the Halifax and Southwestern system. After Mr. Wade's death, S. N. Parent was appointed chairman of the Transcontinental Commission, and in Mr. Parent the country secured the services of a gentleman who had had very considerable experience in railway matters. It is well known that for many years Mr. Parent had been an active director of railways in the province of Quebec. No person who knows his success as a business man, his activity and his energy, could conceive for a moment of his being an inactive member of any railway corporation. The fact that he was a director carries with it the presumption that he was an active director, and therefore when the acting Minister of Railways

makes the statement that no member of the old commission had any railway experience, he is stating what is not within the facts.

When it comes to appointing men to occupy great positions in the railway or industrial world, on this continent at all events, it is not the rule to select those persons from men who have had any extraordinary or intimate association with those particular industries. For instance, it will be remembered that when the United States Steel Corporation lost its president, W. E. Corry, by resignation, they did not confine their choice of his successor to men who had had intimate experience in the business of manufacturing steel and iron, but they selected for the head of that great corporation Judge Carey, an eminent lawyer in the city of Chicago. When E. H. Harriman, who was the head and front of the largest railway system in the United States, died, and it became necessary to appoint a successor, they did not go to the railway operators of the United States, but they selected Judge Lovitt, a lawyer, to carry on Mr. Harriman's work. When the Dominion Iron and Steel Company wanted a president to carry on the work that had been conducted so successfully by the late James Ross they did not seek the services of a man particularly familiar with the manufacture of iron and steel, but they selected a very competent and excellent gentleman who was a banker in the city of Toronto, Mr. J. H. Plummer. When the Nova Scotia Steel and Coal Company required a president some years ago to take charge of the management of that large and important corporation in the province of Nova Scotia, did they confine their choice to men familiar with the steel and coal business? No. It is well known to the right hon. leader of this House that they selected his colleague at the Bar in the city of Halifax, Robert E. Harris, a distinguished lawyer in that city. Therefore, when the acting Minister of Railways criticises the Government because the men whom they appointed as commissioners were not railway builders, surely it is not a criticism that ought to have any weight in view of the practice that is followed by all the great corporations on this continent.

We are sometimes asked to compare the operations of the Canadian Pacific Railway Company with the operations of the Commissioners of the Transcontinental. To hear hon. gentlemen opposite talk, one would imagine that when the Canadian Pacific railway was first conceived its original directors must necessarily and naturally have been men familiar with railway construction and operation. I have under my hand a list of the original directors of the Canadian Pacific railway, the men who carried out the construction of that railway in its earlier stages. The names of these directors are: George Stephen, Montreal, merchant; Duncan McIntyre, Montreal, merchant; John S. Kennedy, New York, banker; R. B. Angus, St. Paul, Esquire; James J. Hill, St. Paul, Esquire; Henry Stafford Northcote, London, Esquire; D. P. Grenfell, London, merchant; Charles Day Rose, London, merchant; Baron J. de Reinach, Paris, banker. Not a single practical railway man or engineer was to be found in the first directorate of the Canadian Pacific Railway Company, so far as I have been able to ascertain from the records in the Library of Parliament. If the construction of that road could be carried on successfully and to the satisfaction of the men who put their money into the road, by men not railway builders or operators, is it not folly to suppose that in this day of our history, business men, bankers and professional men cannot be found to carry on a great and important undertaking.

But, Mr. Speaker, the acting Minister of Railways, in making the criticism that he did against the personnel of the former commission, had not in mind perhaps that certain criticisms more trenchant than he made against the late commissioners, had been made against the person who now occupies the position of commissioner. I have before me criticisms directed against the person occupying that high and important position, Major Leonard, that make the criticisms of the acting Minister of Railways appear by comparison like the recitation of a school girl in the second form of a kindergarten. I have here an editorial from the Winnipeg Telegram. It is not necessary for me to tell the members of this House that the Winnipeg Telegram is the leading Conservative paper in western Canada. It is the personal organ of the hon. Minister of Public Works and any observations that it makes in regard to public matters it makes on behalf of the Conservative party. From the Winnipeg Telegram of January 3, 1914, I read:

> The growing dissatisfaction through the West, over the slow progress being made in

the construction of the National Transcontinental railway is being reflected in the animated newspaper comment of the press, regardless of party affiliation. In the East there is a similar echo of restlessness over the unsatisfactory state of this huge enterprise. This continued delay, inaction of those responsible for the work, and the fact that the project has already cost $55,000,000 more than the most exaggerated estimates called for, has provoked a feeling of uncertainty in the public mind, that is rapidly reaching explosive proportions.

Who is responsible for this extraordinary condition?

After the overthrow of the Laurier régime, the country hoped and expected the work would be prosecuted with vigour and ability. Frankness requires the acknowledgment that all the public has a right to expect in this direction has not been accomplished. The old commission responsible for much of this trouble, was dismissed, and new men appointed, but there was no improvement in action and efficiency. This is too clear, Mr. Borden's Government deserves the support of the people, and they have confidence in him, but there can be no question that a mistake was made in the selection of Major Leonard as Chairman of the Transcontinental Commission. This, Mr. Borden's warmest supporters to-day freely admit. The only virtue the commission can claim is honesty.

There is no dishonesty charged against the ex-members of the Transcontinental Railway Commission even in the biased report of the special commission appointed to investigate the subject.

This is an excellent quality, but it does not tunnel mountains, bridge rivers, and construct railways. In the interests of the people, especially the people of western Canada, and with no desire to damage Major Leonard's reputation, the Telegram desires to affirm that his work, as head of the commission has been a distinct failure. The Telegram believes a mistake was made in choosing Major Leonard for this responsible position. He is not a railway builder, however good he may be in locating mining propositions. It is a pity, therefore, to spoil an excellent 'prospector' at the expense of the National Transcontinental project.

It is not necessary to go into details to indicate Major Leonard's unfitness for the position he occupies. The impression is growing that more progress could be made on the work, if the youngest engineer in the employ of the commission were in charge.

Hon. Frank Cochrane, the Minister of Railways, is a busy man. He is an overworked minister, and he will continue to be overworked as long as he is burdened with incompetents like Major Leonard, in control of great undertakings like the Transcontinental. The suggestion is freely made, that either Mr. Cochrane should take over this important work, or a commissioner be appointed with the ability and skill to expedite the work. The East as well as the West is vitally interested in an immediate improvement and will be satisfied with nothing less.

Then, on the 14th January, 1914, the Winnipeg Telegram returns to the attack:

But the Telegram reiterates its statement that the people are tired of the inaction and incompetence of the Transcontinental Commission. Major Leonard's services have proven distinctly disappointing. The public have confidence in the Minister of Railways, and if Mr. Cochrane will take over the work, it will be handled expeditiously, and with intelligence. He enjoys a reputation for service; but with Major Leonard as the head of the commission, to perfect the work on this huge public utility, he is practically helpless. The West wants to see something done, and the Telegram believes the East has equal wisdom. At the present rate, another private Transcontinental railway system will be completed before the National Transcontinental railway is ready for traffic. Yet the peoples' millions are backing this great enterprise, and all the resources are at hand to employ the genius of the railway world. Under these circumstances, it seems a pity that action is not taken at Ottawa along the line of public demand for more expedition in this undertaking.

I have looked through the report of Messrs. Lynch-Staunton and Gutelius, in which they criticise the conduct of the late Transcontinental Railway Commission, I have read the evidence from one end of the volume to the other, and nowhere do I find a criticism so far-reaching, or so deadly, as that which the newspaper of the hon. Minister of Public Works has directed against Major Leonard, the present commissioner. The excuse given by the Minister of Railways and Canals for disbanding the old commission was, that the members of the old commission were incompetent because there was not a practical railway builder among them. It was said that the expenditure upon the construction of the road would be materially reduced if a change were made. The Minister of Railways and Canals got up in this House and gave a certificate of character to Major Leonard as being the one man in Canada in whom he had confidence to carry out that work in the way it should be carried out. We have had a test of Major Leonard's competence and I do not desire to express any personal opinion as regards that estimable gentleman. It is my duty to put the report of Messrs. Lynch-Staunton and Gutelius as to the capacity of the members of the late commission, and the criticism of the Minister of Railways and Canals of the members of that commission, side by side with the criticism of the Winnipeg Telegram with regard to the compentence, the fitness and the ability of Major Leonard, the present commissioner.

The hon. member for South Renfrew, in the course of his observations the other evening, pointed out that in his opinion the report of the special commission was partisan and biased. Of course, it was open to hon. gentlemen opposite to throw

back the charge in the face of my hon. friend from South Renfrew. I am not going to quote the opinions of members supporting the Liberal party, but I desire to place on record the opinion of a prominent member of the Conservative party in the city of Montreal as to what he thinks of the impartiality of the report presented to this House by these two special commissioners. I am going to put on 'Hansard' a statement made by Mr. C. H. Cahan, K.C., an eminent lawyer of Montreal and who was prominent for many years as leader of the Conservative party in the province of Nova Scotia. Mr. Cahan was for some time editor of the Halifax Herald, a thick and thin supporter of the Conservative party in good and evil report. Mr. Cahan was one of the candidates of the right hon. the First Minister (Mr. Borden) in the province of Nova Scotia in the election of 1904. This is what Mr. Cahan says in regard to the report of this commission:

I expressed my views very clearly at the recent dinner of the Maritime Province Association of McGill. In Canada we are apt to go to the extreme of condemning a whole political party not only for the frauds secretly perpetrated by individuals, but we also represent, as fraudulent and corrupt, alleged mistakes in policy and in details, in regard to which expert advisers may, in good faith, entertain entirely different views.

'No great engineering project was ever carried through to completion, in which large sums of money might not have been saved if the foresight of the engineers directing and controlling the expenditures had been equal to their hindsight. Most valuable knowledge and experience is always gained in carrying through a great undertaking which is utilized by amateur critics to condemn the works of engineers and others who are, in fact, more competent and equally as honest as those who criticise and condemn the completed work.'

In the matter of the Transcontinental railway construction, there were many questions of routes, of grades, of standards of construction, of main lines, sidings, shops, station houses, etc., in regard to which equally competent engineers may and do honestly differ. All expenditures of this nature should be eliminated in considering the charges and counter-charges of fraud and corruption with which the party press is now filled.

An honest opinion either upon general policy or in regard to details of construction does not and should not place a person or a political party in the criminal dock.

It must also be borne in mind that the inquiry which has been held was ex parte. It is similar to a preliminary inquiry and investigation before a magistrate. It should have no more weight than is usually given to the evidence taken at an ex parte inquiry. Individuals should not be condemned by Star Chamber proceedings. If evidence has been obtained by the Gutelius commission, which is sufficient, in the opinion of the Government, to place any contractors or others on trial, they should be tried by and before a tribunal at which they can appear, with their witnesses, and be heard by their counsel. We must play the game of politics fairly, if we are to preserve the whole country from utter discredit. As it is, the press of one party now seeks to overwhelm their political opponents with indiscriminate charges of fraud and corruption, based upon an ex parte report, upon ex parte evidence, even before the persons charged have had opportunity to prepare and present their defence. We prefer to cast odium upon our political opponents, rather than to take effective means to bring individual culprits to the bar of justice.

And with what result? The world at large accepts Canada at Canada's appreciation of herself. The unmerited opinion has been created in England and elsewhere that public affairs in this country are permeated with fraud and corruption. The financial credit of the country is impaired, and our material progress is seriously deterred. It would be far better for this country if we played the game and played it fairly, discriminating clearly between matters of honest difference of opinion, and fraudulent and corrupt dealings, and sparing no reasonable effort to bring those persons guilty of fraudulent acts before the courts of justice which are properly constituted for that purpose.

There is the opinion, not of a Liberal, not of an ex-member of the Government which was defeated in 1911, and not of a partisan of the Liberal party or of my right hon. friend the leader of the Opposition.

That, Sir, is the unbiased statement of a leading Conservative in the city of Montreal, a man who knows whereof he speaks. I stated a moment ago that Mr. Cahan, was an eminent lawyer of the city of Montreal; he is more than an eminent lawyer, he is an eminent financier. Through Mr. Cahan's enterprise and energy he has done much to develop the latent natural resources of the Dominion. In British Columbia, in Ontario, in Nova Scotia, in far distant South America, Mr. Cahan has organized corporations to develop public utilities, and he is obliged, from time to time, to go to the money market of Great Britain to raise capital for his great enterprises. No man, therefore, knew better than Mr. Cahan the deadly blow dealt to the credit of Canadian enterprises by this partisan report presented to Parliament by Messrs. Gutelius and Lynch-Staunton.

One of the important criticisms directed against the wisdom of the late Government in respect to the construction of the National Transcontinental railway, is, as to the building of the line from Quebec East to Moncton. It has been pointed out by the ex-Minister of Railways, and also by the hon. member for Carleton (Mr. Carvell), that when Messrs. Gutelius and Lynch-Staunton undertook to condemn the construction of the railway from Quebec East

to Moncton, they were passing upon a question of policy which had had the approval of the electorate of Canada in two separate and distinct general elections. In 1903, when this project was before the House of Commons, I do not think the present Prime Minister was so convinced of his opinion that another railway ought not to be built through the province of New Brunswick. I quote from 'Hansard,' 1903:

> Mr. Borden: I say that if there is to be found a better and shorter line between Rivière du Loup, or any other point on the Intercolonial, and Moncton, a line the construction of which will give to Halifax and St. John and the Maritime provinces generally a better fighting chance for western traffic than that which they have at present, I will support the construction of that line. But I will not support it with the object for which this Bill provides. I will tell my hon. friend how I will support it. I will support the construction of that line as part of the Intercolonial railway. I do not believe in constructing that better and shorter line for the purpose of handing it over to the Grand Trunk or any other railway company; but I do believe in constructing it and keeping it for the people's railway. That is my position and it is a position which I am ready to discuss in the Maritime provinces or anywhere else, with either the Minister of the Interior or any other hon. gentleman in this House.

The right hon. gentleman would not then approve of the construction of a railway through New Brunswick as a part of the Grand Trunk Pacific system, but with one eye on the province of Ontario and the other eye on the province of Nova Scotia, having in view the general election which would take place a few months later, he would not undertake to say that he was not in favour of a railway through the province of New Brunswick, but he wanted it built as part of the Intercolonial railway. The reason for the criticism of Mr. Gutelius on the building of this railway through New Brunswick is because he says it is an interference with the Intercolonial railway, and he argues that by the expenditure of public money to reduce the grades and curves on the Intercolonial, the full benefit to be obtained from the Transcontinental railway would accrue to the Intercolonial railway. But that is not the stand taken by the right hon. Prime Minister. The right hon. gentleman was not willing to give support to the Transcontinental railway scheme through New Brunswick, and he received his answer in the general elections of 1904. In that election eighteen Liberals were returned in Nova Scotia, to support the scheme to build a railway through New Brunswick, and the right hon. gentleman himself, for the first time in the history of Nova Scotia, a leader of a great party, had to go outside his province to find a constituency, in order that he might continue as leader. In the province of New Brunswick, the result of that election was almost equally decisive, there being nine Liberals elected to four Conservatives.

In 1903, another distinguished member of the Conservative party spoke on the proposal to build a railway through New Brunswick, as part of the National Transcontinental railway; I refer to Mr. Bell, who then represented Pictou. While Mr. Bell was speaking, the Hon. Mr. Ross, then member for Victoria, N.S., asked him this question:

> Is the hon. gentleman opposed to the road running to Moncton?

And Mr. Bell replied:

> Mr. Bell: I am criticising this scheme. I say this, that if the hon. gentleman who has just spoken, wants the road to go to Moncton, it is not because he is very anxious to see grain shipped by Halifax or St. John, but because he wants to have some kind of an excuse to offer his people for supporting such an absurd proposition.
>
> Mr. Johnston (Cape Breton): Then the hon. gentleman is opposed to it?
>
> Mr. Bell: The hon. gentleman is prepared to stand by the declaration made by his leader.

No leading member of the Conservative party in this House at that time had the courage that Mr. Gutelius has, ten years afterwards, to condemn the construction of the railway through the province of New Brunswick; on the contrary, they all left it to be understood that they were in favour of such a project, because they felt that the people of the Maritime provinces would demand its construction.

But the idea of building a railway through the centre of New Brunswick was not first conceived by the members of the late Administration, when they gave birth to the scheme to build the National Transcontinental railway. Away back in 1887, to my own knowledge, Sir Charles Tupper, who at that time was taking an active part in the support of the Conservative party in the federal election, made a public announcement in the city of Halifax in which he stated that the last act he did before he left England was to confer with his friend, Lord Revelstoke, who had agreed to underwrite the bonds for the construction of a railway from Harvey to Salisbury, across the province of New Brunswick. Sir Charles Tupper was always ready to back

up his argument with the inevitable telegram, and the statement was scarcely out of his mouth when a telegraph messenger rushed up to the platform and handed him a telegram which he read, amidst the plaudits of the Tory party, confirming his statement that Lord Revelstoke had undertaken to finance a railway to be built through the heart of the province of New Brunswick. Again, in 1891, the Conservative party reiterated their pledges to build a railway across New Brunswick, and the fact that they had not carried out the pledge made by Sir Charles Tupper in 1887 presented the most awkward situation which they had to face in that campaign. Never was there a time when the leaders of the Conservative party were not willing to pledge their faith and their honour to the construction of a railway across New Brunswick, but they forgot to implement that promise once the elections were over. The difference between the Conservative party and the Liberal party in this regard is, that whereas the Conservative party promised to build a railway through New Brunswick, and failed to do so, the Liberal Government and the Liberal party kept their promise, and built the railway.

I have here speeches made by other members of the Conservative party in 1904, when the amendment to the agreement between the Government and the Grand Trunk Pacific was under the consideration of this House. The present leader of the Government (Mr. Borden) then stated:

> The Government have kindly and generously consented to bear the greater part of the liability necessary to build about 2,000 miles of railway in the Northwest Territories and they have refused during the past session to insert one single stipulation binding the Grand Trunk railway not to carry the traffic of that railway to Portland. We moved amendments for that purpose, they voted them down and when the agreement was opened up they still saw fit to withhold their hand from imposing on the Grand Trunk Railway Company one single syllable which would make it necessary that they should carry that freight to Canadian ports instead of to Portland. Indeed, I understand that those who are interested in the welfare of Portland are not very much disturbed about the outlook. They have had the Grand Trunk railway freight before, and they expect to have it again. They have a sublime and earnest confidence that the building of the Grand Trunk Pacific railway through the Northwest Territories of Canada will in no way interfere with the interests of Portland, but that all the traffic there gathered will go to swell the trade of Portland and that the ports of Halifax and St. John will be relegated to the same position that they have occupied in the past.

[Mr. Kyte.]

You will observe that the right hon. gentleman had no confidence in the good faith of the late Government in their proposal to build a railway across the province of New Brunswick, and that he wanted to make it appear that their lack of good faith in that regard would result in our freight going by way of Portland. The right hon. gentleman goes on to say:

> Why is it that my right hon. friend's utterances now lack the earnestness which so characterized them last year? He possibly may also remember that although the flood-tide was upon us last year, although time would not wait last year, not one single step has been taken by the Government to survey this eastern division. If the flood-tide was then upon us, if there was a crisis, if time would not wait, why has the Government paused during these six or seven months and taken no steps to secure a survey of the country through which the eastern division is to pass? It has been whispered in some parts of the country where the eastern division is not popular, is it because the eastern division is to be dropped?

On that occasion the right hon. gentleman had not only very grave doubts but fears that the right hon. the Prime Minister of that day did not seriously and honestly intend to build a railway which Mr. Gutelius and Mr. Lynch-Staunton now so strenuously endeavour to condemn.

Mr. J. W. Daniel, member for St. John, spoke as follows:

> Ever since that election my opponents have been giving all kinds of reasons for the result. I have heard it spoken of as an accident. I have also heard it stated that there were two gentlemen each of whom wished to be the candidate of the Liberal party, and that the trouble which ensued when one of them was not selected was the cause of the overturning of the great majority which the late Minister of Railways had, and giving me my majority. Well, Mr. Speaker, I am quite willing to give full credit for all the results which these, or any other circumstances which were peculiar at the time, had on the election; but after giving them all due credit, I must make the assertion which is absolutely correct, that all these things put together would never have produced such a result as happened in the city of St. John, unless there had been something of a more close and intimate character with which all the people of the city had to do. There is no doubt in my mind whatever, Sir, that the result of that election was caused by the city of St. John with the policy of the Government, as crystallized more especially in the Grand Trunk Pacific Railway Bill. Because, while they did not believe that it was going to be of any special advantage to the country generally, they certainly came to the conclusion that it was going to be an absolute harm to them instead of a benefit. That feeling was general throughout the city of St. John. As far back as last August the merchants of St. John met together and talked over this matter. They wanted to know what effect it would

have upon them; because this is an immense undertaking for Canada, as it would be for any country; and if there are going to be spent in this country some $139,000,000 or $149,000,000, it is impossible to say how many millions are going to be spent before this scheme is carried into effect. If all this money is to be spent in the whole of Canada where are the Maritime provinces to come in? That is what we were saying in St. John—where were we to come in. We found that we did not come in at all.

There is no doubt, Mr. Speaker—I come to this point with some diffidence because people might think that I was trying to boom my own constituency a little too much—but I must say that so far as this extreme eastern section is concerned, there is no doubt that the business and commercial solution of the matter would be to build from Edmundston, or some practical point near Edmundston, right down the valley of the river St. John to the port of St. John. In that way you would get the shortest line and if there is any possibility of doing business on the line after it is built, you would have an opportunity of doing that business and getting some satisfactory results.

You will observe that Mr. Daniel was very strongly in favour of building the transcontinental from the town of Edmundston, but naturally he preferred that the terminus of the road should be in the city of St. John rather than in the city of Moncton. Mr. Daniel proceeded as follows:

Some of the changes made by this supplementary agreement seemed to be made for the very purpose of facilitating this action of the Grand Trunk railway and helping them to take their freight out of this country entirely to the port of Portland, Maine. If not, why should the Government ask Parliament to release this deposit of $5,000,000 as soon as the western section is completed? If the Government intend to carry on the building of the eastern section pari passu with the western section, why should we be asked to put this clause in? Because, if they really intend to build in that way, the eastern section would be built as rapidly as the western section, and there is no reason whatever for asking Parliament to release that deposit as soon as the western section is built.

Then Mr. Gourlay, Conservative member for Colchester, spoke as follows:

Your mistake is not to have chartered a new company. If you are bound to build this railway, make the interest of the whole line one from the Pacific ocean to Halifax, so that when your company gets a pound of freight in British Columbia, it will be bound to take it to Halifax or St. John. But you did not do that. You have, instead, amalgamated this project with a railway whose interest is to take the freight to Portland.

I have said that the Quebec-Moncton section must be built, and I wish to put myself thoroughly on record on that score. I am for that section from beginning to end. If a mile of this crooked bottled-up railway is to be built, then build the Moncton section, because if Quebec is to be benefited at the expense of the whole Dominion, we should have a little of the overthrow down in the Maritime provinces.

I will not hesitate to say on behalf of the Maritime provinces, that no line that does not go below Quebec, can ever benefit us. Once locate a line below Quebec, and then there is a straight course across the continent to Halifax, or to Country Harbour, or to St John, and once the products of the great west are put upon this line and sent down there, they cannot go to Boston or to Portland, but must go out on the Atlantic from Canadian harbours to the great markets of the old country. That is my ambition, and I believe it is the ambition of some of the gentlemen opposite, if they could only throw away their narrow party trammels and stand up like men, and proclaim what they really believe.

An attempt is made to delude us again, but we know now, that a line making its terminus at Quebec will never benefit the Maritime provinces.

I wonder if Mr. Gutelius and Mr. Lynch-Staunton read the debate in the House of Commons on the subject of this great railway before they penned the report which condemned the policy of the late Government, thinking no doubt that they were condemning the policy of one party alone, whereas they were condemning the policy of both parties at that time.

Mr. R. D. Wilmot, another member for the province of New Brunswick, spoke as follows:

When it reaches the province of New Brunswick—as I suppose it will by some means—I consider that the easiest and most natural route for a railway would be down the valley of the St. John river to Fredericton, and from that point by a branch to Moncton via Shipman. That country has already been surveyed, it is a level country and well suited for a railway. Another branch could be built to the city of St. John. The Prime Minister's proposition to build a straight line through the province of New Brunswick, I do not consider it at all practical. It would be very expensive and, from the knowledge we have of that section of the country, I do not think it could be built without a vast expenditure of money. If you follow the valley of the St. John river, you have a natural road bed and the most direct route to tide waters.

There we have the opinion of the Conservative members of the House of Commons as expressed in that debate, and their opinion is strongly in favour of building the line through the province of New Brunswick.

I have here a resolution passed by the Board of Trade of the town of Truro on the 14th of February, 1890, as follows:

Resolved, that the Truro Board of Trade learns with interest of the proposed extension of the Grand Trunk railway system to the Maritime provinces connecting with the Intercolonial railway at or near Moncton, thus giving a competing line to the west as well as a short

line and one on all British territory, and hereby requests the Dominion Government to afford all possible aid to promote the success of the undertaking; and further

Resolved, that a copy of this resolution be forwarded to our Dominion representative at Ottawa for presentation to the Government.

(Sgd) G. Clish, President.
G. A. Hall, Secretary.

I will now read a resolution passed by the Board of Trade of the city of Halifax on the 23rd of July, 1903, as follows:

Whereas, objection having been taken to that part of the Grand Trunk Pacific railway scheme which provides for the building of the road from Winnipeg to Moncton, N.B., this board desires most emphatically to reaffirm its previous declaration (appended hereto) that no scheme of Government transcontinental transportation will be either adequate or equitable to each province of the Dominion which does not ensure the carriage of Canadian products through Canadian ports in winter as well as in summer, and regards it as imperative that stringent guarantees to carry out that policy should be exacted by the Government.

We further maintain that the construction of the road west of Quebec without ensuring its continuance east through Canadian territory would be manifestly unjust to the Maritime provinces.

This board is also of the opinion that the building of the shortest possible line through Canadian territory from Quebec to Moncton, N.B., would be of immense advantage to the Maritime provinces, as well as to the rest of Canada, and would secure for the road a large share of through freight and passenger business, which at present is done through United States ports.

(Sgd) James Hall,
Vice-president.
Charles M. Creed,
Secretary.

It is no wonder that when the right hon. Prime Minister went to Halifax in 1904, in view of his hesitation as to whether or not he stood in favour of extending the Grand Trunk Pacific to Moncton, he met the reception he did at the hands of the electors of Halifax. I have here a resolution of the Board of Trade of the city of St. John, passed on the 13th of May, 1903:

Resolved, that the city of St. John has heard with regret that the Grand Trunk Pacific Railway Company indicate an intention to build its line from the Pacific to the city of Quebec only and do not propose to construct and extend the same so as to have during the winter season a terminus at the open sea on Canadian soil. Which means that the company will do all its transatlantic business in the winter through United States ports. And further resolved that such a course of procedure would do great injustice to the 'Maritime provinces' and would be applying the money and resources of Canada to the upbuilding of a foreign city and port.

And still further resolved that this city respectfully, earnestly and most strenuously urges the representatives in Parliament from the city and county of St. John and from the province of New Brunswick and the Maritime provinces generally to do all in their power to protect the interests of their provinces in the matter of preventing the injury that would be done if the proposed wrong should be carried out. And further resolved that the necessary protection against this impending injustice should be placed in the Act incorparating the company, should any such be passed.

And still further resolved that this city requests the representatives of Quebec, Ontario and the other more western provinces and territories to so act in securing such protection that the road to be built by the company shall pass from ocean to ocean through Canadian territory in both winter and summer and that such measures may be taken as will ensure the carrying through Canadian ports only of all freight originating or desired for any part of the Dominion of Canada.

I have read these expressions of opinion for the purpose of showing how well justified the Government of the present right hon. leader of the Opposition were in coming to the conclusion in 1903 and 1904 that no transcontinental service would be complete unless it extended from ocean to ocean. We had besides that, as I have said, the unanimous endorsation of the scheme by the province of Nova Scotia in 1904 and the very large endorsation in 1908, as well as the very large endorsation of that scheme in the province of New Brunswick in 1904 and 1908. In the face of that, I think that the question as to the wisdom of the policy of building the road was pretty well laid at rest, and only for partisan purposes could Messrs. Gutelius and Lynch-Staunton have conceived the idea of condemning the proposal which their masters the people had decided should be carried into effect by the federal Government.

About two weeks ago I made a motion in this House requesting the acting Minister of Railways (Mr. Reid) to lay upon the table a return containing certain instructions issued by the Minister of Railways to Mr. Gutelius looking to the reduction of the grades and curves on the Intercolonial, and Mr. Gutelius' report thereon. I regret that the acting minister has been unable to bring down that return while this debate is in progress. Inasmuch as the special commissioners have condemned the action of the Transcontinental Commission in building that road with grades of 0·4 and 0·6, and curves of six degrees, it would be interesting to learn why Mr. Gutelius recommends for the Intercolonial a course of action which he condemns in the Transcontinental. The acting Minister of Railways was unable to bring down the documents because, as he informed the House, he had to send to Moncton for them. I was surprised at that.

For all I asked for was a copy of the instructions given by the minister to Mr. Gutelius, which would surely be in the department here at Ottawa, and also a copy of the report sent by Mr. Gutelius to the minister which report also must be in the department. By the time the minister has these documents brought from Moncton, I presume this debate will be closed, and the people will not be able to judge the good faith of Mr. Gutelius in recommending the grades of 0·4 and 0·6 for the Intercolonial and condemning the same for the Transcontinental.

It was pointed out by the ex-Minister of Railways (Mr. Graham) what a serious effect this report of the investigating commissioners has had upon the standing of Canada in the money markets of Great Britain, to which this Dominion must resort for funds to carry on great enterprises. I have here the following message from London on this subject:

> Word has been received from London that the British people will no longer buy Canadian government bonds. The loan which Finance Minister White offered a few days ago will not sell. Though the twenty-five millions of 4 per cent bonds were offered at a point below par, the public has only taken 22 per cent and has left 78 per cent on the counters of the underwriters.
>
> It has been predicted for some time that the London money markets could not stand the raids which Finance Minister White has been making upon it. In the past five months he has been to London for over seventy millions in loans, some for renewals, and some for fresh obligations. There has been scarcely a month since he took office that has not seen him in the market, selling treasury bills or bonds. The reckless borrowing of the Finance Minister has shaken the confidence of the British investor, and the finishing touch to Canada's credit was the Gutelius-Staunton report.

I am sure the Finance Minister (Mr. White) will understand that it is not to make reflections upon him that I am reading this despatch.

> London does not understand the political methods of the Government of Canada and has an idea that a royal commission cannot lie. When it was cabled that investigation showed there had been forty million dollars improperly spent in building the National Transcontinental railway and that there had been eight million dollars' rakeoff between contractors and subcontractors the British investor believed it.

Therefore, we have already proof of the effect the report has had upon the financial fortunes of this Dominion.

Mr. A. D. FOSTER: Who wrote that?

Mr. KYTE: It is a cable despatch from London; I do not know whether it was the Montreal Star's correspondent or not. And the London Standard of Empire says:

> The publication of the report of the royal commission on the cost of the National Transcontinental railway has been the chief event of the week. Public opinion has been seriously aroused by the finding that about eight millions sterling has been needlessly expended. No specific charge of corruption has been made. It is not denied that the road has been well laid, with a minimum grade of 1 in 250, and without sharp curves; but the question is: Was such a line called for in the circumstances?

The press of this country has been filled from day to day with comments on the report of Mr. Gutelius and Mr. Lynch-Staunton. Partisans of the Government have stated that the report was amply justified by the evidence. It has been stated by the Conservative press that huge sums of graft have been divided up between contractors, engineers and other persons interested in bleeding the country. During the debate so far not a single syllable has been uttered in support of the reckless charges made by the press. The most that can be said in regard to the expenditure of this money is that the road cost more than was estimated. It is well within the knowledge of hon. gentlemen who know anything as to the cost of carrying on large enterprises that there is not one case in a hundred where the actual expenditure is kept down to the original estimate. We know that during the last five or six years the United States Government has been carrying on the construction of the Panama canal. We know that capable and competent engineers undertook to make an estimate of the actual cost of that great undertaking. That work was in the hands of army officers and engineers, and no source of information was left unexplored to enable them to report to the Government how much the work would actually cost. The original estimate of the cost of the Panama canal was $200,000,000, but, so far from carrying out the work and keeping within the amount of the estimate, already $350,000,000 has been expended and it is generally expected that $400,000,000 will have been expended before the work is completed. We have had instances in Canada where public undertakings were carried on by the former Conservative Government but in no case was the expenditure within the estimate. We had the graving dock in Quebec where McGreevy and Langevin figured twenty-five years ago. The estimated cost was to be $2,184,259 but the actual cost to the country was $3,138,234. Therefore, on an expenditure of practically only $2,000,000, an amount was spent over and

above the estimate of nearly $1,000,000. There is the case of the Esquimalt dock. The estimated cost was $374,559 and the amount paid the contractors was $581,841, $200,000 paid to the contractors over the estimate on a work originally estimated to cost only $374,559. There was an expenditure for the work of nearly fifty per cent over the original estimate. We have information with regard to the Curran bridge in the city of Montreal.

5 p.m. The estimated cost of that bridge was $120,000, but the actual cost was $430,000, a loss to the country of $270,000. But there were other elements in connection with the expenditure of that money which are entirely absent, I am happy to say, from the expenditure of the money on the National Transcontinental railway. The Conservative party to-day are but the successors of the Conservative party who ruled this country from 1878 to 1896. They had a record in the expenditure of money which I think will compare very unfavourably with the record of the Transcontinental Commission in respect to the expenditure of money. It is well known, the memory of the youngest of us goes back to what happened in this country from 1891 to 1896, when the expenditure of the late Government was under investigation by committees of this House. Were the charges against the late Government confined to charges of over-expenditure or expenditure in excess of the estimate? Sir, charges of this kind were not thought of for a moment in those days. Unless there was proof that the large expenditure of public money made by the Minister of Public Works of that day was due to the contribution of large sums to party friends and for election purposes, the expenditures were not looked at for a moment. But in every instance where the charges were investigated the total expenditure far exceeded the estimated cost and in nine cases out of ten 75 per cent of the money was graft that found its way into the pockets of supporters of the Government to be doled out at election times to candidates of the Government.

I have read extracts from the British press showing the manner in which they have received and accepted the report of Messrs. Gutelius and Staunton with respect to the expenditures on the National Transcontinental railway. Not a single suggestion has been uttered in the newspapers or otherwise in Great Britain to the effect that a dollar has been dishonestly spent in respect to this great undertaking. The most they can say is that the road will cost a great deal more than it was expected to cost and that it will entail a larger burden on the taxpayers of Canada than was originally expected. I desire to quote the press of Great Britain regarding the expenditure of public money from 1891 to 1896:

The London Times: Here in the mother country there can be only one feeling, that of deep regret for the wrong done to the fair fame of the eldest of her daughters.

The London Graphic: It is no longer possible to doubt that corrupttion in its worst form is rampant in a large portion of the Canadian Civil Service.

The London Telegraph: Enough, unfortunately, is already known in England to make it clear that only the most resolute and drastic purification can redeem public life in Canada from the taint of corruption, the like of which we have not seen in our own country for hundreds of years.

The Birmingham Gazette: Rascals out of office defraud the public in order to bribe rascals in office, and rascals in office prostitute themselves, sacrifice their honour and forsake their trust in order to keep on good terms with the rascals out of office.

The London Echo: No country can prosper where public departments are in league with fraudulent contractors, and where ministers are open to offers.

The St. James Gazette: The existence of an organized system of corruption among public officials in Canada has been conclusively proved, and like everything else on the American continent the bribery has been colossal.

The Graphic Despatch: Even Tammany Hall smells sweet and clean in comparison with the huge stink pot of the Conservative Government.

That is the record of the expenditure of public money by the predecessors of hon. gentlemen now in office, who would endeavour to fasten a criminal charge on the members of the late Government because the Transcontinental railway cost more money than was originally estimated.

If there is one thing that this debate has brought out for the benefit of the whole of Canada and for the welfare of Canada in the eyes of the motherland, it is the fact that, after having a three and a half hours' speech from the Solicitor General and a one and a half hours' speech from the acting Minister of Railways on this subject, there is not a single suggestion that graft or dishonesty characterized the work from beginning to end. It is quite true that for the last twelve months items have appeared in the Conservative press from day to day to the effect that huge graft had been discovered in the construction of the National Transcontinental railway. It is true that some secret source of information was available to the representatives of the Conservative press that was not available to

the members of the Liberal press. The Conservative press from time to time threw out suggestions and insinuations that terrific disclosures that would shock the public conscience of this country would be made when Messrs. Gutelius and Staunton presented their report to Parliament. The report has been presented, they have shot their bolt, and all the report discloses is that in the opinion of the investigating commission as a matter of policy the building of the railway from Quebec to Moncton ought not to have been undertaken. But that was a question of policy which had received the commendation and support of the people of New Brunswick and Nova Scotia in two general elections and had received the support of leading members of the Conservative party who were present here in the sessions of 1903 and 1904; and that in their judgment the road cost too much money. As regards the building of the railway itself, no dishonesty, no graft, nothing that should bring the blush of shame to any Liberal in the Dominion of Canada, has been disclosed by this report.

I wish to quote from the evidence of Mr. Balkam, an engineer who was examined by Mr. Gutelius with regard to the advisability of building wooden trestles instead of steel trestles:

Q. If you had been permitted to use wooden trestles at all of these points that you are filling now, would you have saved a large amount of money in original investment?—A. In some places, not all of them, by any means.

Q. In the net result over the whole division?—A. You could make an immediate saving by putting in wood in place of fill in places.

Q. And a large expenditure might have been deferred for from six to ten years?—A. I would not recommend wooden trestles, if that is what you mean.

Q. You would have saved a large amount of money?—A. By using wooden trestles you could build the road and not pay out so much money at the time.

Q. And your division probably would be finished by now?—A. No, it would not.

Q. It would have shortened the time very much to have constructed wooden bridges rather than waiting for steel and fills and arches; it would have expedited the work?—A. Yes, you could have expedited the work.

Q. And saved a large amount of money at present?—A. Yes.

Q. Take that fill at 1040 that has slid out so, do you think that if a pile foundation trestle had been built there originally, without touching the waterway at all, that there would have been any slide?—A. Excuse me, that is before my time.

Q. This is professional. Do you think there would have been, as an engineer?—A. I have very little faith in a wooden trestle on that kind of material.

Q. Would the pounding of the piles in there loosen it?—A. No, but I do not know whether you could have held piles there.

Q. I thought you would have answered without scrapping?—A. I do not know anything about that. You ask my opinion, whether I would have advocated.

Q. I ask your opinion whether, if a pile foundation wooden structure had been built there originally, you believe there would have been any sliding of that material—no fill at all?—A. I could not answer that.

Q. You are dodging?—A. No.

Q. Suppose the railroad had never been built up there, would there have been any slide there, where that 150,000 went?—A. No, it is not likely it would.

Q. Suppose the engineers walked across there, would there have been any slide?—A. No.

Q. Supposing you drove a string of piles across there, would there have been a slide?—A. We have one case where there was a slide with a string of piles along.

Q. Had you any reason to expect such a thing to happen in this place?—A. That is the trouble; we do not know when to expect these things in this country.

Q. Have you any reason to think so in that case?—A. There was nothing on the surface to indicate that as far as I know.

Q. Would it probably not have slid?—A. I could not say that.

By the Chairman:

Q. How would the piles make it slide?—A. The mere running through might make it slide.

By Mr. Gutelius:

Q. There is no catch in this. All I want you to say is what any engineer will say, that virgin country such as that ought not to slide in your opinion, and you would not expect it to slide if you built a trestle across it?—A. I certainly would not have expected it to slide, from the indications on the surface.

Q. With all your dodging, it would look as if you were not working with me?—A. Oh, no, I am not dodging. I did not understand the fact; I will certainly admit that right off.

That is the climax of Mr. Gutelius' examination of a respectable and responsible engineer who held an important position on the Grand Trunk Pacific. It will be remembered that 75 per cent of the witnesses examined by Messrs. Lynch-Staunton and Gutelius were men then in the employ of the commission. While the hon. the acting Minister of Railways endeavoured to make it appear that the late commission were deficient in judgment in their selection of men to carry out the work under them, let me point out that Major Leonard still retains the same engineers on the work that he found when he became commissioner. When Mr. Gutelius had these men before him he used all the tricks and menaces of the police court lawyer in an endeavour to browbeat them if they would not answer the questions as he wanted them answered. He says to Mr. Balkam, an honest, conscientious engineer, just because he would not say that trestles were better than a

clay fill in a particular place: 'you are dodging; you are not working with me in this.' Working with him, for what purpose? Not working with him to condemn the Transcontinental railway and the late Government, and to slander the Liberal party; but, more than all, he was not working with Mr. Gutelius to assist him in getting a job of $20,000 a year for running the Intercolonial as a result of this report on the Transcontinental. I am willing to let the last quoted evidence go, and leave it to the judgment of the acting Minister of Railways and Canals as to whether or not Mr. Gutelius was an unbiased, impartial judge with whom to entrust the examination of these witnesses, and to make a report of censure on the late commissioners of the Transcontinental railway.

Mr. A. L. DAVIDSON (Annapolis): Mr. Speaker, I desire to tender to the acting Minister of Railways and Canals (Hon. J. D. Reid) my congratulations on the very satisfactory statement and the very progressive programme which he has outlined in respect to the Intercolonial railway. We in the lower provinces entertain the view—and I think we are justified in entertaining it—that only just now is the great experiment of public ownership of railways in Canada receiving a fair and impartial trial. We are not afraid of the result of that test, and we believe that this great experiment, conducted by an honest and efficient Government, will absolutely justify itself, and that the great development which is going on in connection with the Intercolonial railway will have the result of tremendously booming and developing the eastern part of Canada. It is not, however, to discuss the Intercolonial railway that I rise on this occasion. I intend to devote the few moments at my disposal this afternoon more particularly to the discussion of a report the publication of which a few weeks ago threw the people of this country into indignation, and threw hon. gentlemen opposite into panic and alarm.

Before passing, however, to that phase of the question I desire to refer very briefly to the remarks of my hon. friend from Richmond (Mr. G. W. Kyte) who has just resumed his seat. I was somewhat surprised at the complaint of my hon. friend in respect to the non-appearance of a report which was prepared some time ago in reference to the Civil Service. My hon. friend evidently was ignorant that that report had been filed, and of course he has not read its contents. He excused his ignorance in this regard by saying that he had heard no noise about this report, no cry of wrongdoing on the part of the Liberal party, and therefore he thought no report could have been made. I take it for granted that the hon. gentleman ought to have a pretty shrewd idea of what the nature of that report should have been. I am not going to discuss that report; I will merely say if my hon. friend would read it he would find very many things therein contained not at all to the credit of the late Administration which he supported. I think, however, the Opposition have all the reports of commissions on their hands that they need at the present time, and I do not think they need discuss the report of any other commission just now. It seems to me that if they would bring to the discussion of this report their prayerful and repentant consideration, they would be doing all that this country expects of them.

The hon. gentleman also quoted at length a newspaper published in the city of Winnipeg which he claimed was reflecting upon Mr. Leonard in connection with the construction of the Grand Trunk Pacific. The complaint alleged in the report was particularly with reference to the delay that had been caused in the building of this road. The hon. gentleman was good enough to read to this House a section which expressly absolved Mr. Leonard from any dishonesty but accused him of delay. It occurred to me while the hon. gentleman was reading this quotation that this Winnipeg paper must be very unfair if it blamed Mr. Leonard mainly for the delay. It occurred to me that the party to which my hon. friend belongs was in power from 1903 to 1911 and that, therefore, if there was delay, certainly the blame was more with the late Administration than with any person else. I thought when listening to the quotation that the paper must be doing an injustice to the parties concerned and that it should have placed the blame more on the late Government than on the present Government. Imagine my surprise to learn that the hon. gentleman did not read the most vital part of that newspaper article. He read only a section or two sections of it, while in the very article from which he quoted there appears the following:

> Who is responsible for this extraordinary condition? Years have passed since the date mentioned by the Laurier regime on which the system would be completed. The late Govern-

ment for years marked time on the work east of Winnipeg through incompetency or in order to afford greater opportunities for graft; but, whatever the cause, the fact is obvious that up to 1911, years of time and colossal sums were wasted by the Liberal Government on the eastern section of the National Transcontinental railway.

Of course, the hon. gentleman could never have perused the whole or he would not have been unfair enough to make such an omission in quoting it to the House; but it is a curious coincidence that he quoted both ends of the article, but left out this very important middle. If the hon. gentleman's reading has extended to newspapers published in the city of Winnipeg, I would like very much to refer him to the columns of another newspaper published in that city, not a Liberal-Conservative paper but a paper edited by a gentleman who, for a number of years, sat in this House as a Liberal member and who, a little more than a year ago, contested the constituency of Macdonald in the Liberal interest. I just picked up one of these papers casually and ran across this almost by accident. The Winnipeg Tribune, in its issue of March 20, 1914, has this to say in reference to the matter:

> If there is not either colossal bungling or blundering in connection with the enterprise, the public will be surprised. The whole business looks like such a colossal blunder, particularly in view of the fact that we have one or two transcontinental railway lines too many, that the Canadian people will yet be forced in sackcloth and ashes over the blundering railway policy of the former Government.

Is it not surprising that when my hon. friend's vision was scanning the columns of the Winnipeg press, that this article should have escaped his attention altogether?

Mr. Speaker, I am not one of those who would blame or censure the hon. member for South Renfrew (Mr. Graham) for devoting over seven hours of the time of this House to an attempt to excuse and explain away the findings contained in the report of the commission appointed to inquire into the construction of the Grand Trunk Pacific. I think it was very much up to the hon. gentleman to make a defence and to explain away, if it were possible, the very serious charges made by these commissioners. The people of the country would have gladly given him not only seven hours but seven weeks if necessary in order that he might have full opportunity to present an ample defence to these serious charges. But the trouble is not that he took so much time; the trouble is that, notwithstanding the time that he took, notwithstanding the labour that he must have expended upon his defence, notwithstanding his known talents and ability as a debater, he was not able to dispose of the very serious implications cast upon his Administration and that of his Government, in this report.

The contention is put forward by hon. gentlemen opposite that this report should not have been published or circulated at a time when there is a money stringency in the markets of the world. They say that the circulation of this report, showing so much waste and extravagance, is calculated at this critical juncture to prejudicially affect the credit of Canada and credit of the Grand Trunk Railway Company, which is seeking to borrow money in the markets of the world. That is a very extraordinary complaint to make, a very extraordinary theory to advance. It is a strange argument to put forward that we must not have disclosures, that we must not look carefully into the transaction of public business, or the conduct of public institutions at any time when there is financial stringency, for fear of injuring the credit of the people of this country. You might as well say that if you had an acquaintance, whom you were suspicious of having stolen your money, you should not bring the matter into the police court, or you should not institute an investigation for fear of injuring that man's credit. That is a very absurd and extraordinary position to take.

The credit of Canada is too high to be affected by anything of this kind. If this report had not been published, if the evidence of wrong-doing had not been made public, it would have more injuriously affected the credit of Canada than the publication of the facts. It has been very evident for a number of years that there were irregularities in connection with the construction of this road. Business men and railway men all over the world have been advised of it, and if these irregularities had been winked at, it would have much more seriously injured the credit of Canada than bringing to the light this wrong-doing. But if the argument of my hon. friend is correct, if the publication of these facts is damaging to the reputation of Canada, and if we are to be blamed for making this report public, what is to be said of the Administration which made possible the evidence which we have disclosed? Very serious strictures have been

passed upon the personnel of the Commission which has conducted this investigation. Every one of the hon. gentlemen opposite who have spoken has, in some portion of his speech, roundly denounced and criticised the personnel of this commission. My hon. friend from Richmond referred to Mr. Morine, who was appointed by the present Government to investigate the Civil Service, and he informed the House that Mr. Morine was dismissed because a certain charge had been made against him. Well, herein is illustrated the difference between the methods of this Government and the methods of the late Government. Mr. Morine was not proven guilty in this Chamber; the evidence against him was of a very flimsy character but the Prime Minister held that a man appointed to hold an investigation, or to occupy a position of trust under this Government, must, like Cæsar's wife, be above suspicion. And even though Mr. Morine was not proven guilty, our respected leader said that his services were no longer desirable because even the shadow of suspicion against him had been raised. I want to say right here that if Mr. Gutelius had been a Morine, or if Mr. Lynch-Staunton had been a Morine, we would have heard very serious complaints from gentlemen opposite about their past records. There is no doubt at all that hon. gentlemen opposite have been just as anxious to study the records of Mr. Lynch-Staunton and Mr. Gutelius as they were to study the record of Mr. Morine, and the fact that they were not able to place their finger on a single black spot in the records of these gentlemen, proves pretty conclusively that they are of the right kind. And, why should they not be proper persons to conduct such an investigation? I think hon. gentlemen will agree with me that it is very appropriate to have on this Commission a practical railroad man; I do not think there is any doubt about that. That being so, where should the Government look for a practical and efficient railroad man? That he must have had practical experience on some great railway, and a Canadian railway at that, is very evident. Surely, hon. gentlemen opposite would not wish the Government to go to the United States to get a railway expert; the hon. gentleman from Pictou (Mr. Macdonald) would vehemently protest against that. There are, as we know, only three great railway companies in Canada; the Canadian Pacific railway, the Canadian Northern, and the Grand Trunk railway. Manifestly it would be improper to select an officer from the Grand Trunk railway, and manifestly it would also be improper to select an officer from the Canadian Northern railway. Had the Government selected an official of the Canadian Northern to conduct this investigation, what a howl would have gone up from the hon. gentlemen opposite. Why, they would have said; this railway corporation is on its knees before the Government asking for financial aid, and this creature of theirs dare not make an independent report. Therefore, the only railway from which the Government could properly make a selection was the Canadian Pacific railway, the one independent company in Canada which is not begging alms from the Government at the present time. We were told by the hon. member for South Renfrew (Mr. Graham) that the Canadian Pacific railway is the best managed railroad in the world, and where could we get a more competent man than from among the officers of that well managed railroad.

Why these objections from hon. gentlemen opposite to Mr. Lynch-Staunton? Manifestly, it is desirable to have an investigation of this kind, conducted by a barrister of repute, a man who knows how to weigh evidence, who knows how to cross-examine, and who knows how to get at the facts, and make proper deductions therefrom. But the great trouble with Mr. Lynch-Staunton is, not that he is a lawyer, but that he happens to be a Tory lawyer. The members of the legal profession, to which I have the honour to belong, hold, almost without exception, very strong political opinions; it is difficult to meet a lawyer who is not a Grit or a Tory. The Government, therefore, had to select either a Liberal lawyer or a Conservative lawyer. It was, in my opinion, an act of kindness on the part of the Government not to select a Liberal lawyer for this particular work, because the past experience of hon. gentlemen opposite with Liberal commissioners has been so painful that the Government was certainly considerate in securing the services of a Tory in this instance.

The hon. gentleman who is most concerned in this investigation, the late Minister of Railways, devoted a great deal of attention to comparing the relative value of a filled road and trestle road, and the relative value of a trestle bridge and a steel structure. I am quite sure the hon. gentleman did not intend to do the commissioners

an injustice in this respect, but it seems to me that all who listened to his remarks, without having previous knowledge, would conclude that the commissioners laid down the theory that a trestle road was better than a filled road, and that a trestle bridge was better than a steel bridge. But, you can search the report from beginning to end, and you cannot find any such statement. There is no doubt at all that a filled road is better than a trestle road, and there is no doubt that a steel bridge is better than a trestle bridge, but the whole point, according to the commissioners and according to the evidence, and according to the intelligence of any thoughtful person, is that it is much more economical to employ trestles in the first place, and, later on, after the engineering difficulties are understood, and when you have some traffic on your road, when you have idle trains which you can utilize, when you understand the nature of the country through which the road passes, to replace these trestles with permanent structures. The hon. gentleman (Mr. Graham) claims a great deal of credit for this road, because it has been constructed with fillings instead of trestles. Well, if this is something to be proud of, it is not the Liberal Administration who is responsible, because we have the pronouncement of Mr. Fielding in the House of Commons, when the Grand Trunk Bill was introduced, which contradicts that. It was his intention not to build the road as the ex-Minister of Railways says, it has been built, but to build it just as Messrs. Gutelius and Lynch-Staunton have recommended it should have been built. I quote the remarks of Mr. Fielding at page 8574 'Hansard,' 1903:

> Now, we know that in the construction of a road, in the anxiety to get a railroad built, some things are done which may be regarded as almost of a temporary character. In one place you put in a trestle which five or six years later you will fill up, and make a permanent road. In another place you put in a small wooden bridge; in time when it commences to weaken, you put in a steel structure, and so on. The road is not finished when its nominal completion takes place, but it may be finished as time progresses.

Further on he says:

> We will give them a completed road so far as any new road can be made so; but as years roll on, if the Government, being in the same position as the landlord to whom I referred, desired to make improvements on that road, if they desired, having regard to the permanency of the road, to take out a wooden bridge and put in a steel structure; if they desired to fill up a trestle, or do one of the many things which hon. gentlemen opposite who are familiar with railways will understand better than I do, then the Government will have the right to do that in the way of betterment.

So it is very evident that, if this road is so much better than other roads in Canada are when first completed, that result has been attained entirely against the original conception which Mr. Fielding had when he introduced the measure under the terms of which the road was built. Furthermore, the engineers appointed by the commission to construct this road never had any such purpose, because the first tenders called for made no provision whatever for filling of this character. When the first tenders were called for, it was assumed that the road was to be built just as every great railway builds its road—first, by building trestles, and subsequently filling them in. Consequently in the first tenders that were advertised for there was no provision requiring the tenderers to give any figures at all for filling.

I will read now a quotation from a letter of Mr. Lumsden, as recorded at page 76 of the report. This letter was written in reply to some inquiries made to Mr. Lumsden by certain engineers who had been approached by contractors with questions as to the price that would be paid for filling. Mr. Lumsden wrote as follows:

> It was not the intention that the present contractor should be called upon to make very heavy fills, the material for which would have to be hauled by train, but that he should put in standard trestles in such places. Of course, if the contractor prefers to make up a fill by train-hauled filling, rather than put in the standard trestle, he can do so with your approval, and in such cases he must provide the necessary temporary trestle at his own cost.

It was not Mr. Fielding; it was not the late Administration; it was not the engineers orginally employed who were responsible for this great improvement of which the hon. member for South Renfrew (Mr. Graham) boasts. The evidence herein contained shows conclusively that this change was made in deference to the wishes of the contractors; that they found it very profitable to do the filling when they could make use of the overbreak and could make fabulous sums by so doing. If this road is better than our other roads were immediately after construction, it is due to the fact that the contractors insisted upon that work in their own interest and that they benefited by it to the tune of over $3,000,000. The more this whole scheme is considered, the more evident it will appear that the whole railway policy of the late Government in this particular has been a colossal blunder. I do not want

to approach the subject in any partisan spirit or with any unfairness to hon. gentlemen opposite, but I think that any person who seriously reads Canadian history aright is driven to the conclusion that in this country of ours the record of the Liberal-Conservative party has been a record of constructive statesmanship. The great big things in Canada, the great national undertakings to which people of this country look back with pride, are the handiwork entirely of the Liberal-Conservative party. There has been levelled against the work which has recently appeared from the pen of that venerable statesman, Sir Charles Tupper, criticism to the effect that his book attributes all the great things in Canada to the Liberal-Conservative party. That is not the fault of the historian; it is the fault of history. Everything that has been worth while in Canada has been done by the Liberal-Conservative party, and the record of the Liberal party has been—and I say it without any partisan spirit at all—largely the policy of weak imitation of the policy of their opponents. In so far as they have succeeded—and in some respects they have succeeded—they have succeeded by following slavishly the policy of their opponents.

We will take for example the question of trade. For eighteen years they condemned the great fiscal policy of their opponents. When they got into power they followed that policy and by following it they managed for a while to continue to obtain the confidence of the people of this country; but when they departed from that policy, when they struck out for themselves, when they conceived the idea of mixing our fiscal policy with that of a country whose ambition was to make Canada an adjunct to itself, then it was that they discovered that it was very much easier to copy than to construct. Undoubtedly it is a safer policy for a party to imitate than to construct.

Mr. GAUVREAU: Is that in the report?

Mr. DAVIDSON—Evidence of that is in the report in a very conclusive way. It is manifestly easier to imitate than to lead, but there is a very apparent objection to this policy, namely that it usually takes the ability, the acumen, the strength of the originator to carry out that which the originator conceives. None but an Achilles can wield Achilles' sword; you cannot gain the powers of a giant merely by imitating his movements, and you cannot acquire the statesmanship of a great statesman merely by combing your hair in the same fashion in which he combs his. It is a dangerous thing for a country like Canada, with many new works to be constructed, many great things to be done, to commit that work to a party of imitators. You want originators to handle the destinies of Canada. You never had a better illustration of the weakness of the policy of imitation than you have in the experience which the Liberal party have had with railways in this country. That proves conclusively to my mind that a party of imitators is a very dangerous party to which to entrust the administration of affairs. After all, this wretched railway bungle is due almost entirely to the vanity of our opponents, who thought that they could safely gain glory by imitating the tactics and policy of their opponents. There is no doubt that the Liberal-Conservative party in Canada reflected great credit upon itself by the construction of the Canadian Pacific railway. That was a great undertaking. The great statesmen who led the Liberal-Conservative party in those days, despite the misgivings of friends, and the strenuous opposition of opponents, went forward and built that great work and won for themselves great glory and credit. They found themselves at last in the very fortunate position where even their opponents who had condemned them were obliged to grant them reluctant praise. Mr. Fielding himself in introducing this very Bill gave them rare praise, and he also gave away the secret as to the construction of this road. Let me read from his speech as recorded in 'Hansard' of 1903, at page 8591. This is what Mr. Fielding said:

> 'Perhaps there were some mistakes of location, perhaps some mistakes in the land policy, and in the clearer light of to-day we may be able to see that things were done then which had been better left undone. I am disposed to think that perhaps those things may after all have been only incidental to the difficulties of the time and to rapid construction. I do not hesitate to say, in the light of experience, that the Liberal party did entertain alarm and anxiety, which have been proved in the end not to have been fully justified. I for one have no disposition unfairly to criticise to-day. I frankly admit, as one who was then a young man, that I was lead to entertain alarm and anxiety. To-day I say the policy of the Conservative party, subject to these qualifications which I have mentioned, has been justified, and in that respect the Conservative party has made a record which they can look back to with pride.
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> But while there was some excuse for doubt and hesitation in 1871 and 1887 there is none today. Are these gentlemen to learn nothing? We Liberals have learned something by experience.

What was the experience ?

Mr. SCHAFFNER: The country has had experience.

Mr. DAVIDSON: Yes, since that time the country has obtained experience, an experience which has cost very much more. What was the experience that Mr. Fielding obtained ? His course of reasoning was very simple. He said: The Liberal-Conservative party made itself great by building one transcontinental line; we will make ourselves great by building another. And his party said: The name of Sir John A. Macdonald will go down to posterity as that of a great statesman because he built a national transcontinental line; let our leader have the same honour. And that is the reason this whole scheme was embarked upon, and it was embarked upon altogether contrary to the sanest and best opinions which were offered to the Government of that day. The man in that Government who should have known more about railway construction than any other was its Minister of Railways and Canals, and he opposed this scheme so strongly that he left his party, he left his position in the Government, on this very question. His idea was—and it was a very sensible idea—to acquire the Canada Atlantic, to extend the Intercolonial railway to the West, and, instead of building a line which would be a competitor to the Government's own line—which then had not enough traffic to make it prosperous—to tap with a line the great West, make this line the national highway, and make it a prosperous concern.

At six o'clock, the House took recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

THIRD READINGS.

Bill No. 10, respecting Barcelona Traction, Light and Power Company, Limited.—Mr. Macdonell.

Bill No. 22, respecting Brazilian Traction, Light and Power Company, Limited.—Mr. A. K. Maclean.

Bill No. 23, respecting British America Nickel Corporation, Limited.—Mr. Northrup.

THE PREMIER LIFE INSURANCE COMPANY.

The House in Committee on Bill No. 92, respecting the Premier Life Insurance Company.—Mr. R. B. Bennett. Mr. Blondin in the Chair.

Mr. R. B. BENNETT: This insurance company, which was incorporated by Parliament, was given a certain time in which to obtain $250,000 of subscribed capital and $100,000 of paid-up capital. It has raised only $75,000 of paid-up capital, and is asking for an extension of time.

Mr. OLIVER: How long ?

Mr. BENNETT: Until 1916. For the information of my hon. friend, I might say that Colonel Saunders, of Edmonton, is one of the gentlemen interested.

Mr. OLIVER: Was there any objection to the Bill in committee ?

Mr. BENNETT: It passed with amendment.

Bill reported, read the third time, and passed.

SECOND READINGS.

Bill No. 121, for the relief of Eliza Jane McLaughlin.—Mr. McCraney.

Bill No. 123, to incorporate the Atlin Railway Company.—Mr. Michael Clark.

THE NATIONAL TRANSCONTINENTAL RAILWAY.

Mr. DAVIDSON: When the House rose at six o'clock I was stating that this scheme for the construction of the Transcontinental railway owed its inception to the vanity of the Liberal party, who were ambitious to get the credit for constructing a transcontinental railway in this country, just as their opponents had the credit for constructing the Canadian Pacific railway; and, furthermore, that this policy was embarked upon against the avowed wishes of the only man in the Government of that day who was in a position to speak on railway matters, Hon. A. G. Blair, Minister of Railways and Canals. The other evening, the hon. member for Welland (Mr. German) referred to the speech made by the late Mr. Hays, then president of the Grand Trunk Pacific railway before the Railway Commission of this House, in which Mr. Hays pronounced a eulogy on that project. Is the hon. gentleman not aware that when the scheme was first submitted to Mr. Hays he was astounded at the proposal? The policy which was afterwards carried out was not the policy of Mr. Hays at all. What Mr. Hays proposed on behalf of the Grand Trunk railway was that the Government should assist in the construction of a railroad from Port Simpson to North Bay. In consideration of receiving that aid, the Grand Trunk Company were willing to pledge that all the

traffic from all its lines should be turned over to the Intercolonial railway at Montreal. That would have been of immense benefit to this country, especially to the eastern parts of Canada. It would have insured at the very outset the continued prosperity of the people's road. If the money which has been squandered on this scheme had been devoted to the construction of branch lines for the Intercolonial railway; if President Hays' scheme had been carried out, and all the trade of that great system had been diverted to Nova Scotia and New Brunswick ports, utilizing the splendid terminal facilities now being constructed by the Government in those ports, it would have marked a great era in the prosperity of this country. This would not do, because it meant tying up with the Intercolonial Railway Company, which was the work of a Conservative government, and as the hon. gentleman from South Renfrew (Mr. Graham) said the other night, the Liberal Administration did not want to play second fiddle to any one. The hon. member for Richmond (Mr. Kyte) this afternoon claimed that the people of Canada had already endorsed the policy of a transcontinental road—that the people of Nova Scotia particularly had committed themselves to it. It is true that the electors of Nova Scotia in 1904, with only a limited knowledge of the scheme, signified a willingness to give it a chance. It is also true that the people of Nova Scotia, after they had returned a solid support to the late Government of eighteen members expected that those members would have sufficient influence with the Government to ensure that the road should be continued into the province of Nova Scotia, instead of being terminated in another province. The people of Nova Scotia were most keenly disappointed when their members were not able to achieve that for their province.

It is true that, with a limited knowledge of this project, the electors of Nova Scotia did apparently pronounce in favour of it in 1904 and sent to this House no less than eighteen Liberal members; it is true that, with a little more knowledge of the scheme, in the year 1908, they only sent to this House twelve Liberal members; it is true that, in 1911, with more knowledge still, they only sent to this House nine members; and it is abundantly true that at the next opportunity they have, with a full knowledge of the scheme, they will not send a single Liberal representative.

Hon. gentlemen opposite have devoted a great deal of attention to considering technical details in connection with this matter, details of gradients, curves, trestlework and the like. I am not prepared to follow them upon these technical subjects, but the point I see in the matter is this: Explain the thing away as you may, talk about technical matters as you will, the ugly, bold fact remains that, whereas this road was supposed to cost a little over $60,000,000, it has cost no less than $234,000,000. That is the ghost of Banquo that will not down. How are hon. gentlemen going to explain that? Let me give this House an estimate of the cost of the road which was made at the time this scheme was embarked upon. Mr. Fielding took the House into his confidence and made an estimate in such glowing terms, and with such apparent fairness, that every one might have thought that he was making an estimate that was well upon the side of liberality. This is what Mr. Fielding said on that occasion ('Hansard,' 1903, page 8588):

> I have made an estimate of $25,000 per mile for one part and $28,000 a mile for the other part, which estimate is backed by the reputation of an engineer of standing, but, if we are to have the high grade—I should say the low grade—road called for by my hon. friend from North Norfolk, Mr. Charlton, perhaps these estimates are not high enough. I am prepared that the millions of a balance should be devoted to the improvement of that road. I propose to add 25 per cent of the first estimate of the cost of construction of the eastern division, and so add 25 per cent to the present value of the seven years' interest of that portion of the road. That is equivalent to an advance on the cost of from $25,000 per mile to $31,250 per mile for one part and from $28,000 to $35,000 for the other part. That is a pretty liberal estimate and ought to build even the fine road called for by my hon. friend from Norfolk.

Other estimates were also made. The hon. A. G. Blair, a practical railway man himself, who was opposed to the scheme, and whose interest it was to make it appear as expensive to the country as possible, also made an estimate, and this is what Mr. Blair said—'Hansard,' 1903, page 8457:

> Now, 1,825 miles from Moncton to Winnipeg, or to some point north of Winnipeg, wherever the line may be supposed to run, will cost this country $65,000,000, upon the calculation which I have made. That may be somewhat in excess of the actual result.

He said that $65,000,000 might be in excess of the actual result, but, lo, the cost is not $65,000,000, but about four times that amount.

The building of the Canadian Pacific railway was a very much more stupendous task than the building of this road, for the reason that it was an experiment. The promoters of the road were called upon to

build into a perfect wilderness, and it was only reasonable to suppose that financial men would be chary about investing their money in an enterprise of that kind. From the nature of the scheme, from the fact that it was an experiment, from the fact that it was more a national enterprise than a prospective money-maker, the conditions under which that road was built were very much more arduous than the conditions under which this road is being built, and more aid might reasonably be expected from the country. Yet the right hon. leader of the Opposition (Sir Wilfrid Laurier) is authority for the statement that the Canadian Pacific railway only cost the people of this country $60,000,000 in cash. The section of the National Transcontinental railway from Winnipeg to Moncton is costing the country something like $234,000,000, and the country is also called upon to guarantee the bonds of the Grand Trunk Pacific on the remaining part of the road. The country has already suffered by implementing these bonds to the tune of something like $10,000,000. I say, therefore, that, explain this report as they may, hon. gentlemen opposite cannot get over the fact and this is what they will have to do before the people will doubt the reasonableness of the findings of this commission.

There are other suspicious circumstances. This is not the first reference to charges of wrong-doing in connection with the construction of this road. In 1907 there was a gentleman who made charges against the commission very similar to the charges herein contained. He was not a Tory, he was not a lawyer, he was not a Canadian Pacific railway engineer, he was not even an American citizen, but he was a Liberal and he had been employed by a Liberal Commission to work upon the road. He made charges of wrong-doing and the people of the country at that time were very poorly satisfied with the manner in which this Parliament treated those charges. His name was Hodgins. In the year 1910, another gentleman, who was not a Canadian Pacific railway official, who was not a lawyer, who was not an American, but the commissioners own chief engineer, Mr. Lumsden, made similiar charges and at that time the committee appointed to investigate the charges proved to be such a farce that the Conservative members on that committee were compelled to withdraw and the people were very far from being satisfied with the examination and investigation which was made into the charges. The people of the country are in a receptive mood and are in a mood to believe this report. Unless hon. gentlemen opposite can offer some explanation as to the enormous cost, and can give some good and sufficient answers to these charges and findings, the people are going to take the report at its face value.

I do not propose to go into details with reference to the contents of this report, but there is one matter to which I wish to refer very briefly and that is the methods pursued by the late Government in awarding contracts. I am not saying that the commission, in adopting this scheme of awarding contracts, were animated by a desire to shut out competition, I am not saying that their motive was to confine the contracts for this work to a narrow circle of friends in whom they had confidence, I am not saying that their purpose was to shut out ordinary competition, but I am bound to say that if that had been their idea they could not have hit upon a more excellent scheme than the one which they carried out in this particular. Let me give one or two illustrations. Instead of dividing this line into small sections which might have been tendered for by persons of ordinary means, they divided the whole 1,800 miles into twenty-one sections and one of these sections at least amounted to no less than 150 miles. To-day the present Government are undertaking a work of railway construction in the province of Nova Scotia in connection with the terminals at Halifax. They propose to build about six miles there, and that work is cut up into three different contracts.

But this concern allows sections of 150 miles to be allotted to each contractor. More than that, it was provided in many instances that the work should be done in absolutely inaccessible territory. Advertisements were issued calling for tenders for construction in the wilderness, with which there was not railway communication of any kind. The ordinary man, who read these advertisements, would naturally suppose they meant what they said, and that the successful tenderer would be obliged to build 'tote' roads, and to commence construction before the other sections of the road had been built up. As a matter of fact, it would seem that the initiated knew all about it, and consequently a few contractors were able to tender for these remote sections, and to postpone doing any work on them until the adjoining sections were constructed, thus making enormous profits.

But the most original and the most surprising method of discouraging tenderers was the stipulation in reference to the security to be given. The advertisements announced that the tenderer was obliged to make a deposit of a substantial sum when putting in his tender, and it was stipulated further that within ten days of the awarding of the contract, he might be called upon to put up additional security, in default of which his first deposit would be forfeited. When inquiries were made of the commissioners, as to how much the tenderers might be called upon to deposit, in addition to the first deposit, they were told that they might be required to put up one-third of the contract price. I have listened attentively to the speeches made by hon. gentlemen opposite, but I have heard no one explain satisfactorily why that extraordinary procedure was followed. Under the law of this country, where a government contract exceeds $250,000, the tenderer is obliged to make a deposit of five per cent. Why in the name of all that is reasonable should a tenderer on this Transcontinental railway work be required to make a deposit of thirty-three and one-third per cent of the amount of the contract price? When the agreement was made with the Government for the construction of the Canadian Pacific railway the company was obliged to make a deposit with the Government of $1,000,000 as security for the carrying out of the agreement, and when the agreement was made with the Grand Trunk Pacific they were obliged to give—and Mr. Fielding boasted of the enormity of the sum—$5,000,000 security; but I point out that if this extraordinary condition had been enforced by the Commissioners of the National Transcontinental railway, one contractor building only a section of the road would have been obliged to put up no less than $4,336,000. Of course this added security was never asked for, but at the same time the ordinary man who was called upon to tender was not expected to know this.

Mr. R. B. BENNETT: He was sorry afterwards he did not know it.

Mr. DAVIDSON: He was sorry after he did not know. It would look as if the persons who actually did bid on these tenders were fully advised as to what might happen, or at least it would seem that the only men who could prudently enter into an agreement of this kind were the men who had an understanding with the commission that the security would not be asked for. If the intention of the Transcontinental Railway Commissioners had been to discourage competition, they could not have hit upon a better plan, and as a matter of fact the thing worked out in exactly that way. Two-thirds of the whole route, 1,133 miles, were actually given to only three different contractors, and on that vast mileage only four distinct firms tendered. The result was what anybody might suppose. the tenderers formed a circle exceedingly small and exceedingly select. The circle was confined practically to three fortunate tenderers, although there were eight others who were let in to a limited extent. These were the Grand Trunk Pacific, the Davis concern, and the associates of M. J. O'Brien. The Grand Trunk Pacific were awarded contracts for the construction of 353 miles, M. P. and J. T. Davis got 408 miles, and the associates of M. J. O'Brien were allotted 372 miles. It will be observed that one of the largest beneficiaries under this arrangement was Mr. M. J. O'Brien. The hon. member for South Renfrew (Mr. Graham) informed us that before the contracts were finally signed they had to be submitted to him for his sanction. I do not say for a moment that the hon. gentleman (Mr. Graham) used any influence to have so many of these contracts awarded to Mr. M. J. O'Brien and his associates; neither do I say that Mr. M. J. O'Brien considered himself under any obligation to the late Minister of Railways for being so fortunate in this particular. But, the fact remains, that when the great political flood that visited this country in the year 1911 swept the Liberal party from power, and swept the late Minister of Railways out of his former constituency of Brockville, and when he looked out on the waste of waters like Noah's dove for a place whereon to rest, there was no spot in Canada upon which he could safely put the sole of his foot but the constituency of South Renfrew, in which M. J. O'Brien resided, and in which he had very large interests.

As I have said, the result of this whole scheme was to narrow very greatly the number of persons tendering for contracts. They formed a select and small circle, and I am bound to say, furthermore, that in their conduct towards each other they observed the very best of form; they were not rude enough to tender against each other; they were generous enough to see that the mileage was pretty evenly divided. I will give you the figures again: The Grand

Trunk Pacific, 353 miles; the Davis concern, 408 miles; M. J. O'Brien and associates, 372 miles. Very considerate were they, and more than that, they exercised so much Christian charity amongst themselves that they were absolutely willing to work for one another very much cheaper than for the Dominion of Canada. And so we see the spectacle, on contract No. 11, of the Grand Trunk Pacific and Macdonell and O'Brien tendering for the same job, the contract of Macdonell and O'Brien being thirteen per cent lower than that of the Grand Trunk Pacific. That was as cheap as Macdonell and O'Brien were prepared to work for the country, but when the Grand Trunk Pacific landed the contract, they were perfectly willing to take it over and pay the Grand Trunk Pacific five per cent on the bargain. So, they were willing to work for the Grand Trunk Pacific eighteen per cent lower than they would work for the Dominion. And what followed? It followed that the work of constructing this railroad got entirely into the hands of middlemen; middlemen who were not prepared to carry out the work, but were able to sublet it at enormous profits.

Uusually contractors expect sometimes to gain and sometimes to lose, and it is only the fortune of war for a contractor to lose money on some contracts. But the surprising fact occurs in connection with the construction of the National Transcontinental railway, that not one single contract was unprofitable to the contractors, and in almost every instance they made enormous profits.

Mr. R. B. BENNETT: Including the Grand Trunk Pacific, which had no equipment to carry on such work.

Mr. DAVIDSON: These men who tendered for this work did so, not with the intention of performing their contracts themselves, but with the intention of hawking them around and making a good thing out of them.

Let me give you briefly a digest of the results in this respect of the different contracts. Only one contract, I believe, was actually carried out by the firm who tendered for it and who received the contract. Every other contract was sublet in whole or in part. On contract No. 1, which was sublet, a profit was derived by the middlemen of $92,308. On contract No. 3 there was a profit of twenty-three per cent. On contract No. 4, there was a profit of twenty-three per cent. On contract No. 5, there was a profit of twenty-seven and one-half per cent. On contract No. 6, there was a profit of nineteen and three-fourths per cent. On contract No. 7, there was a profit on one item alone of $225,000. On contract No. 8, there was a profit on one item alone of $432,000. On contract No. 9, there was a profit on one item alone of $200,000. On contract No. 10, there was a profit of twenty-one and three-fourths per cent. On contract No. 11, there was a profit of thirty-two per cent. On contract No. 12, there was a profit of twenty-one and three-fourths. On contract No. 13, there was a profit of twenty and one-third. On contracts Nos. 16 and 17, there was a profit of ten per cent.

Mr. R. B. BENNETT: And not one of the middlemen did the work.

Mr. DAVIDSON: And not one of them did the work. The commissioners tell us that this was one of the ways in which a huge sum of the people's money was wasted.

We were told in previous election campaigns, and it was stated in this House, when disquieting rumours were raised in reference to the awful waste and extravagance exhibited in the construction of this road, that the people of Canada need not get excited over it; that, if there were any loss to be sustained, it was a loss to the Grand Trunk Pacific Railway Company; that the Grand Trunk Pacific Railway Company was to take over the road and, no matter what it cost, to pay rental based upon the percentage of the cost, and that therefore they and not the people of Canada were the interested parties. This statement was not correct, because, as a matter of fact, under the agreement the company were to have the road free without any rental for seven years. Futhermore this company was to pay the Government only three per cent, whereas the money cost the Government something like four per cent. The further statement was made that, the Grand Trunk Pacific being thus, so greatly interested in the undertaking and having their engineers on the ground, the people might be assured that they would see that no money would be wasted and that the road would not cost more than it ought. When we read this report, we can understand why so few protests were heard from the Grand Trunk Pacific Railway Company. They themselves received one-fifth of all the contracts and were able to make five per cent on them. That was the reason why there was no murmer from these people. Any one who reads the findings of this report is bound to accept them at their face value. By instances such as this, the commissioners say that no less than $40,000,000

of the people's money was wasted. I wonder if the people of this country realize how large an amount that is. Why, if that sum was devoted to the construction of public buildings in Canada—

Mr. BELAND: Armouries.

Mr. DAVIDSON: —seven public buildings costing $25,000 each could be built in every riding in the Dominion of Canada and there would be money left.

The question of good roads is a very live one in this country at the present time. One of the great grievances the people of Canada have to-day against the Liberal party is that they prevented the Government of this country from giving them good roads. What would this sum mean if it was expended upon the roads of Canada? It would build two macadamized roads across Canada from the Atlantic to the Pacific.

Mr. PROULX: Who made this estimate for the hon. member?

Mr. R. B. BENNETT: It was not Fielding, and it was not Graham.

Mr. DAVIDSON: The estimate, to any one who knows arithmetic, is not a very difficult one to make. It is merely a case of multiplying the mileage of the road by what a mile of it would cost. If the intelligence of my hon. friend can grasp that, he can work out the calculation for himself. If that money were devoted to building roads in the province of Nova Scotia, it would make a macadamized road of every mile of road in that province. Is it any wonder that the Liberal party wince under a report of this kind? Is it any wonder that they tried to prevent the commissioners from completing their task? Is it any wonder that they tried to prevent this report from ever reaching the people? They made those efforts. In the last session of this Parliament this country witnessed the surprising spectacle of an Opposition trampling upon the Constitution, turning this House into a farce in order to prevent the Government from carrying out the programme which the people of this country approved. For week after week, month after month, this House was turned into a perfect fiasco by hon. gentlemen opposite, with the avowed purpose of driving the Government, which was then fresh from the people, again to the country in an election. They said their reason for this conduct was due to the fact that they objected to our naval policy. We pointed out to them that while the policy of the Conservative party in this respect was radically different from that of the Liberal party, it nevertheless was not a permanent one, and that, if it were embarked upon and subsequently the Liberal party were returned to power and their policy approved, our policy would very easily dovetail into theirs and no violence would be done. That did not satisfy them. They kept us here day after day, and exhibited the wretched spectacle to the people of this country of its Constitution being trampled upon and scenes of wild disorder being engaged in in this Parliament. The people of Canada wondered why this was done. They wondered what was back of this movement of the Opposition. Some honest people said: The trouble with those men must be that they are disloyal; they do not want to give assistance to the mother country. I am very glad to absolve hon. gentlemen opposite from the charge of disloyalty. I do not believe it was disloyalty that prevented them. I do not believe that either they or their masters, the Grand Trunk Pacific Railway contractors cared very much about the naval policy. What they cared about was this work of investigation that was going on. That is what they wanted to balk.

Mr. PROULX: How many miles of macadamized road would $35,000,000 construct?

Mr. DAVIDSON: I am afraid it would be a somewhat difficult task to make that calculation plain to my hon. friend. If he will come to me at the close of this session, I shall be glad to assist him in the calculation.

The contractors of the Grand Trunk Pacific and the Liberals in this House considered that it was in their interest to have this investigation stopped. The contractors figured that rather than wait to be called upon to pay the forfeits which under the law they would be obliged to pay because of failure to perform their contract within the specified time, it would be better to take a portion of this money and devote it to election purposes, hoping that in this way the people might be induced to turn out this Government. So they were ready to resort to any methods to drive the present Government to the people. Had they succeeded in defeating the Government, it would have meant that we should have heard no more of this commission's report than we heard

of the Hodgins' charges and the Lumsden charges. But, fortunately, they did not succeed. They were out-generaled; they were out-manouvered; the King's business went on; the work of this commission went on. The result has been that this damning document has been put before the people of this country; and I am very wrong if, after reading this report and the evidence upon which it is based, it is not a very long time before the people of this country repose confidence in the Liberal party again.

But if that were the only consequence, we could view the result with a certain degree of equanimity. But unfortunately it is not. This road passes through a country which, if not to-day, we hope will be peopled to-morrow by a large, good Canadian populace. These people will depend in a very large measure upon the freight and passenger rates charged by this railway. More than that, the whole western country will be affected, for the rate on all lines will be in part determined by this transcontinental line. Hon. members from the West never get so eloquent, never get so tearful, as when they dilate upon the wrongs to which Westerners are subject by the awful freight rates. But when this road is completed and the people living along this line seek to use the road, they will find that in order to make wealthy contractors, in order, perhaps, to fill party coffers, because of wasteful extravagance, a burden has been laid upon their shoulders grievous to be borne. There are many future citizens of Canada not now living in this land, many Canadians not now born, who will suffer because of this transaction. Not only is the Liberal party condemned before this generation, but generations of Canadians will arise to call that party cursed.

Mr. PIUS MICHAUD (Victoria, N.B.): Mr. Speaker, we have been entertained by the hon. member for Annapolis (Mr. Davidson) with a history of the naval policy of the Government and with a history of the Conservative party. I must say the hon. gentleman did his duty well, so well as to win applause from his admirers. He gained their applause so long as he praised the good deeds of his leader and the members of the cabinet. But he spoke also of the Liberal party, and gave us to understand that we could not do anything great, while as for his own party, they could do nothing that was not great. But there was a notable omission in his remarks about scandals and wrong-doing when he failed to mention that during the construction of the Canadian Pacific railway, when his own party was in power—a railway built partly at the expense of the country—there was some little scandal.

9 p.m.

The hon. gentleman spoke about the great public works of this country; but did he not forget to say that there was another little scandal when his party was in power in 1896, the McGreevy-Langevin scandal? How many miles of road have been built with that money? He could not find anything wrong with his own party, but no figures less than millions of dollars will suit when he addresses the House about the wrongs of this side. But I was pleased with the remarks of my hon. friend, because he was fair enough not to say that one cent had been stolen in the construction of the National Transcontinental railway. He made a great deal of the fact that middlemen and sub-contractors were engaged in this work. But take the work now going on under this Government on the Welland canal, where they are spending about $4,000,000; are there not sub-contractors there? I know there are five or six already, and I know that many have been refused sub-contracts on the ground that they do not want to subdivide so small a sum as $4,000,000. I met a man in this room yesterday who told me that he had gone there to try to get a contract, but the engineers said they did not want to subdivide among too many small contractors. Then, take the Hudson Bay railway; there are from ten to twenty sub-contractors on that line, but the hon. member for Annapolis finds no fault with that. But, when he turns his eyes to this side and finds that the same thing is done which he approves under this Government, he finds it to be what we in our church call a mortal sin.

The commissioners chosen by this Government to investigate the National Transcontinental could hardly have been chosen with a view to impartiality. I believe the money put into the construction of the Transcontinental came almost altogether from the mother country. Had the Government chosen an engineer with a commissioner from the mother country and given them the same opportunity and the same power to find out everything about the construction of this road, these two men would have given fair play to members on this side of the House and to the Liberal party.

Why would these two men have been the proper ones? Because they would have given a fair and impartial report of the construction of this work. Public money, British money, has been spent on that road and these men would have submitted a fair and honest report of the manner in which it has been expended. But the Government did not want fair men on this commission they wanted men who were prepared to do the work of the Conservative party. What happened? Before the report of the commission was submitted to this House, a report was sent out by these two commissioners, to the Conservative press of Canada. The Conservative press had the report before the members of this House. Evidently they felt that they had to prepare the Canadian mind to receive the impression that there was a great scandal which was coming out, and for that purpose they used only the Conservative papers. The Government said to themselves: We failed last year and the year before last to mislead the minds of the people of Canada by advertising throughout the country that there was a great emergency in the mother country, we failed to do that because we did not do it properly, but in this case we will do it fairly, we will pay these newspapers to advertise what? A report prepared in what has been called a star chamber but what I call a dark chamber. My hon. friends talk about the ex-Minister of Railways and Canals being obliged to seek another constituency to be re-elected. That is no new thing. The present Prime Minister left the province of Nova Scotia to come to Ontario. The Minister of Trade and Commerce had to leave the province of New Brunswick and come into Ontario, the refuge of all good Conservatives. Where is the sin? It is a terrible thing when an hon. member on this side of the House seeks election in another constituency, but it is certainly all right when an hon. member on that side of the House has to come to the province of Ontario where there are constituencies in which Conservative candidates are always sure of election.

I read on the first page of this report of the National Transcontinental Investigating Commission the following words:

> We have the honour herewith to deliver to you for transmission to His Royal Highness the Governor General of Canada the report of the commission appointed to investigate the construction of the National Transcontinental railway.
>
> Yours respectfully,
> Geo. Lynch-Staunton,
> Chairman.
> F. P. Gutelius,
> Commissioner.

Who is the chaiman of this commission? A lawyer, I am informed, of no experience in railway construction, a strong partisan of our friends opposite and a man always ready to fight the battle of his political allies. These are his qualifications and I am informed that he was better qualified to draw his large monthly salary than to take the trouble to go to the root of this whole matter to arrive at a fair and impartial report. Was he a better man than Mr. Parent, the former chairman of the Transcontinental Railway Commission? According to our friends opposite he was away ahead. Had he built a railway in Canada? No. Was he known to have spent public money on public works? If so, I never heard of it. All I have over heard of Mr. Lynch-Staunton is that he was an employee of a great railway corporation in this country. Who is the other gentleman, Mr. Gutelius? An engineer, I am told, with a little experience in railway construction. But who would compare Mr. Gutelius with Mr. Lumsden or Mr. Grant as far as railway construction is concerned? From my point of view, Mr. Lumsden is a far better man for practical work than my friend Gutelius.

I have spoken of the qualifications of these gentlemen who were appointed to inquire into this great undertaking. Mr. Speaker, if you had a great case to fight would you dare to put that case in the hands of a man who had interests against your own interests? Was Mr. Gutelius disinterested in this report? I say he was not. Why? He is the employee of another great railway company in this country and he could not do justice to both. He must go either one way or the other. On which side do you think he would go? On the side of the bread where there is butter, as we say in French. This gentleman was promised a good salary by this Government, for what? For making a report first, and secondly for assuming the management of the Intercolonial. Why? I know why, and the people of the eastern section of Canada know why. An effort is being made to-day to discredit the construction of this road in order to help out the railway corporations which are friends of the Conservative party. They do not want

to make a success of this road because it will cause too much loss to the other roads, which will have to start and reconstruct their road. They have sharp curves and high gradients, and where this Transcontinental railway will haul thirty cars, the other line alongside cannot haul more than ten or fifteen cars. When a poor road is built in the first instance it is necessary to build a second time within a few years in order to make it a fair road. A road that has to be rebuilt every ten or fifteen years is never a good road. In building the Transcontinental, we started to build a railroad of the first class, one of the highest standard and one of which we could say, with Mr. Leonard the present commissioner, that it is an asset to this country. What happened? A year has gone by, Mr. Speaker, the Maritime provinces have had no opportunity of going ahead, while the West has been booming. We have had no facilities for exporting our products except that one line of railway, and the West could not export their goods through Canadian ports because they had no railway facilities. The products of the West, to reach the market across the ocean, had to go through American seaports, and we could not profitably ship our manufactured goods to the West, as we had only one line of railway and it was charging extraordinary prices for transportation. What happened? In order to prevent our goods going through American ports, we built a railroad of our own to compete with the American lines, and I hope the Transcontinental will carry freight as cheaply to St. John, Quebec, or Halifax as the American roads carry freight to Boston or Portland, Maine.

Hon. gentlemen opposite say that we have spent too much money. We in the East are entitled to our share. Quebec has helped the West, but what have we got in return? We have only had one line of railway built since the construction of the Intercolonial railway: that is the St. John Valley railway, which is still uncompleted. We had to beg the Government for this road, and it was only recently that we got a line of railway running from the north to the south of our province. I am amused at Messrs. Gutelius and Staunton saying that there was no need for a duplicate railway between Moncton and Levis. Are they the people of this country? Mr. Gutelius is one man and Mr. Lynch-Staunton is another. That is the opinion of two men only; but the people of this country have said three times at the polls: We need the road whatever it may cost, and we are going to build it. We in the East want to develop our country and our seaports. We need encouragement, and we want a road to bring the products of the West to the eastern seaports, and to carry goods coming from the old country to western Canada. If we cannot have that, our population will remain stationary. We have built the best possible road we could, and who finds fault with it? Another railway corporation; and why? Because they have started to lower their own grades, which were too high; they are altering their curves, which were too sharp; and are substituting iron bridges for the wooden trestles on their line. I know what I am talking about from my own experience. I have seen what is being done in the province of New Brunswick.

Our Conservative friends who are Conservatives even before Canadians, were not serious in this investigation. They did not even take the trouble of getting a man on the road to hold the investigation, for the simple reason that an honest report was not wanted. The report was made by a Royal Commission and addressed to His Royal Highness. What could we expect from two gentlemen who did not take oath that they would faithfully fulfil their duties in making the report? This Government knew that a report under oath would not be good for them.

Part of the Transcontinental railway in the Maritime provinces is ready for operation. The line from Moncton to Edmundston, a distance of over 200 miles, has been in operation since last year. That road could have been operated with profit, but I am sorry to say that it has not been; and why? Because it hauled a mixed train of twenty or thirty cars. A train would start early in the morning, and take twenty-four hours to make a trip of about 200 miles. The cars stopped here and there in the woods, and the people got disgusted and would not travel on such a line. Lumbermen in my own constituency have approached the manager of this part of the line and offered to give him, every second day, twenty cars of lumber, telegraph poles, ties, and so on, and they offered $20 a car for a haul of about thirty-five miles. But the manager of the railway said, we do not want it. He refused to haul these cars at a good profit. I personally know one man who wanted to do business on that road all last fall. He had twenty-five carloads of lumber to be hauled, but could not get a car.

Then, as to land expropriation. About thirty-five cases in my own county were taken to the Exchequer Court. With my hon. friend from Carleton, N.B., (Mr. Carvell) I defended the electors of my constituency. Out of those thirty-five cases the court upheld only two. In one instance where the tender was for $900, we got $1,800. In another case, where the tender was for $400, we got $1,000, and in another case, where the tender was for $200, we got $1,000.

Mr. Gutelius says that this is an enormous price but on the other hand we have a sworn judge, after hearing witnesses n both sides, in open court, not in a dark chamber, declaring that the land is worth so much. Mr. Gutelius says: I never saw the land, I do not know the conditions surrounding it, I know nothing about it, but it is an enormous price. He says that an enormous amount of money has been spent on curves, gradients, the shops at Transcona, the works at Winnipeg and elsewhere. This, Mr. Speaker, will give you an idea of the fairness of this report.

I read with a great deal of amusement the speeches delivered by the right hon. the Prime Minister (Mr. Borden) in St. John in 1904. My right hon. friend said this railway was going to cost more than people expected, that it was going to cost over $100,000,000. Furthermore, he informed the people of St. John that every car loaded with the products of the West would go to Portland or some other American seaport. Hon. members who come from the West possibly do not understand how freight from the West goes to an American seaport rather than to a Canadian seaport. Portland, Maine, is probably 160 miles from St. John and there is this difference in the length of the haul. But it must be remembered that there is a great disadvantage in hauling over the Grand Trunk railway line on account of its high grades. The desirability of developing our Canadian seaports was not lost sight of when the late Government made arrangements with the Grand Trunk Pacific for the construction of this road. What do we find? In order to ensure that ever carload of farm products and other goods shipped from the West to the East would be routed by a Canadian seaport they inserted the following condition in the contract with that company:

> The company further agrees that it shall not in any matter within its power directly or indirectly advise or encourage the transportation of such freight by routes other than those above approved and shall in all respects, in good faith, use its utmost endeavours to fulfil the conditions upon which public aid is granted, namely, the development of trade through Canadian channels and Canadian ocean ports.

Since last year the city of St. John has changed its mind about the remarks which the Prime Minister made in that city. The Liberal party, when it went out of power, was engaged in the great work of building a road to develop the ports of St. John, Halifax and Quebec. If this railway is not built up to the standard originally designed it will never be able to compete with the American seaports, because you cannot haul as many cars on a road with a 0.6 per cent grade as you can on a road with a 0.4 per cent grade. Our friends in St. John and Halifax were very greatly disappointed when the present Government took hold of the construction of this road. There is no evidence, in anything that has been presented in the report of Messrs. Gutelius and Staunton, to show that the money which has been expended upon this road has not been expended honestly.

There are on the other side of the House hon. members who are greatly disappointed with this report because the commissioners have absolutely failed to prove to the people that there is one cent of expenditure that has not been accounted for. These commissioners spent two years in an effort to find out if one cent has been misspent, but all they can say is not that there has been any wrongful expenditure, but that too much money has been spent. I can only say that we will have the very best road on the American continent and one that the people of Canada may justly be proud of.

Mr. O. TURGEON (Gloucester): Mr. Speaker, ever since the introduction of steam and railway travel in the world, and especially in America, it has been the laudable ambition of the people of the different provinces of Canada under the British flag to utilize the Atlantic ports which were placed there by the hand of Providence awaiting the further development of the western provinces and of our vast resources of soil, forest and sea. While they were waiting, the necessity of bringing together those immense territories from ocean to ocean, which were to form the Dominion of Canada in the near future, and without the union of which no Canadian nation could have existed, impressed itself forcibly upon the minds of the people at that time. Without Atlantic ports, the old provinces of Canada would not have been able to rise to the position of a nation

because they would have been left for five or six months in the year at the whim of a collector of customs in the United States. The people of British and French origin were then all animated with the same desire to see the realization of the hope, which they had long indulged, of building up a united Canada and of shipping their products through a Canadian seaport. But, unfortunately, the Ashburton treaty was passed by the representatives of Great Britain and the United States, and Canada was left only the ports of St. John and Halifax, with their surroundings, which could be equipped as the future development of the country might require. Meanwhile the Intercolonial was constructed, and Halifax and St. John were placed in communication with Quebec and Montreal. Then, with the increase of population, the increase of traffic, and the vast development of the country, and its future being assured, the people of Canada decided, no matter what the cost, that they must endeavour to reduce the distance between the Atlantic and the Pacific, and decrease the cost of freight transportation between East and West, according to the dictates of the best science of the twentieth century. It was felt that no matter what the original cost, a first-class railway line should be constructed, by which, considering the lessened cost of operation, the people of Canada might have a reduction of, we will say, twenty-five per cent in the freight rates. I am not an engineer, nor a railway expert, nor even a lawyer, but I have heard the convincing speech of the ex-Minister of Railways, and I am able, without prejudice, to declare that he has demonstrated that the project formulated by the Liberal party in 1903 for the building of the Transcontinental railway, was a project in the best interests of the country, and a project which required some daring, and, in this age, Canadians must have daring if they are to progress. I am not an engineer, but it does not require engineering skill to see that the report of Messrs. Gutelius and Staunton was not intended for the education, or edification, or enlightenment of railway engineers in Canada or elsewhere, but for the purpose of misleading the public. To-day we advance in a year as much as our forefathers advanced in a century; but Messrs. Gutelius and Staunton do not seem to realize that. The National Transcontinental railway was conceived in a spirit of patriotism, and one of its purposes was to effect a saving of twenty-five per cent on the cost of transportation, and thus to add to the prosperity of the country. Mr. Gutelius, whom I have not yet met, seems endowed with a dual personality. There is Mr. Gutelius, of the National Transcontinental railway, who wants a transcontinental railway with heavy grades, and there is Mr. Gutelius, of the Intercolonial, who wants to strengthen all the bridges and to straighten out the curves on the Intercolonial railway, in order to save twenty-five per cent in the cost of operation, and for this purpose he is willing to spend $2,000,000 on 200 miles of road, an expenditure representing $18,000,000 for the Transcontinental. The Conservative party always want some kind of cry to delude the people; a few years ago, in Drummond-Arthabaska, they proclaimed that the Liberals wanted to send the children of the people as food for bullets in different parts of the empire, and now their cry is that millions of dollars have been wasted in extravagance by the late Government. I hear the hon. member for Peterborough make some remark, but I am sure he will agree with me that this report of Messrs. Gutelius and Staunton was not intended for the intelligent citizens of Peterborough, who know more about railroads than ever this report will teach them, but that its intention is to mislead others, who probably may not be so intelligent. I take a most serious view of this question, and so I wish to put on 'Hansard' some of the more salient paragraphs in this report, to show that the intention was to mislead the electors into believing that there was extravagance in connection with the construction of the Transcontinental railway. It is very annoying for a true Canadian to have to read such campaign literature as is found in this report, and it is sad to think that two men could be found in Canada who would be guilty of such political animosity as the report shows these gentlemen were inspired with. Mr. Gutelius and Mr. Staunton may be all right as private citizens, but in making this report they were undoubtedly carried away by biased judgment and by political prejudice. Let me now read from the report a few extracts which I wish to put before the country and which will be cited to the people of Canada. Take the following paragraph on the constitution of the commission:

Until the appointment of Major R. W. Leonard, in the autumn of 1911, no member of

the commission had any experience or knowledge of railway building or operation.

These words might lead laymen to believe that there was something wrong, because the members of the commission had no engineering knowledge; but that point has been cleared up by the speakers who have preceded me. Those members of the commission had engineers to direct them in matters relating to engineering construction. They had the best engineers the country could produce—Mr. Lumsden, Mr. Gordon Grant and Mr. M. J. Butler, who a year or two afterwards became Deputy Minister of Railways and Canals, whose knowledge of engineering cannot be denied by any one in Canada. He is not surpassed in Canada, in fact, he is not surpassed in America, in regard to the construction and operation of railways. He is well known and admired by everybody for his talent as a railroad constructor and a railroad operator on other lines to which he has been attached. As regards the chairman of the commission, hon. members from Nova Scotia could speak more eloquently of Mr. F. B. Wade than I could myself. Everyone who was in this House in the early years of this century and who knew Mr. Wade, knows that he was an honest man, with great knowledge and experience in the construction and operation of railways in western Nova Scotia.

Hon. gentlemen opposite have referred also to Mr. Parent. He has been connected with great enterprises in Quebec; not only so, but before he was on the commission, he was for several years mayor of Quebec. During his two or three renewed terms of the mayoralty, he aroused the people of Quebec from their centuries of lethargy, and he was the cause of the great prosperity of that city to-day.

In regard to momentum grades, the report reads as follows:

Had momentum grades been adopted, as is the usual practice in high class modern railway construction—

I wish to call attention to these words, which to my mind are deceptive or are altogether wrong.

Had momentum grades been adopted, as is the usual practice in high-class modern railway construction, they would have in no way impaired the usefulness of the railway, or increased the cost of operation, or reduced its hauling capacity, and $6,200,000 might and should have been saved.

In regard to bridges, the report reads as follows:

Had wooden trestles been used instead of train fill and steel structures, as was done by the Grand Trunk Pacific on its portion of the line, and as is allowed in the best modern railway construction, they might have been in course of time replaced by fill and steel structures and $2,947,227 thereby saved without impairing the usefulness or reducing the hauling capacity of the railway or increasing the cost of operation.

In regard to train filling, the report says:

The commission had an offer from the Grand Trunk Pacific to fill wooden trestles at the rate of 25 cents per cubic yard. Had the commission made such an agreement to do the train filling after the road was opened, $3,250,000 would have been saved in addition to that included under the last heading.

In regard to the method of inviting tenders, the report says:

The rules adopted by the commission in advertising for tenders, the unlimited security required to be furnished by the contractors, and the proposal to let the work for the most part in unreasonably large sections, resulted in only five contractors tendering for 806 miles of the railway, and eleven contracting firms secured all the work and sub-let it to upwards of 100 sub-contractors, who, had the work been divided into reasonably large sections and the security required in other Governmental contracts only been exacted, would have in all probability competed in the bidding. As an indication of the handsome profits derived by these eleven firms, it appears that they were paid $8,800,000 in profits for that part of the work which they let to sub-contractors.

I will read the chief paragraph of the report on the New Brunswick section, as follows:

Large sums of money in interest have been lost by the premature construction of the New Brunswick section of the railway. In our opinion this section should not have been constructed at all. If one-third of the money had been expended on the Intercolonial railway it would have provided all the trunk line facilities for the province of New Brunswick which would be required for very many years.

In conclusion, the report says:

We find that the Transcontinental Railway Commission, the Grand Trunk Pacific railway, and those having charge of the construction of the railway, did not consider it desirable or necessary to practise or encourage economy in the construction of this road.

We find that without including the money which was unnecessarily expended in building the railway east of the St. Lawrence river, $40,000,000 at least was needlessly expended in the building of this road.

This is the basis upon which these commissioners have framed their report, not for the education of the engineers of the country but for the purpose of catching the votes of the people of Canada at the next election. I am not an engineer nor a railway expert nor a lawyer; but it must be remembered that the country is not without authority from which the Canadian people can always find the best examples

for any large national undertaking which any government may have constructed or may hereafter construct for the benefit of the people. I have as an authority a gentleman dear to me for many years, a true Canadian and a true Britisher, a man who has lived perhaps fifty years in advance of his time, but who has for many years enjoyed the respect, the admiration and the gratitude of the Canadian people, a man whom I am pleased to describe as a bright illustrious engineering genius, whose authority in the minds of the people of Canada will certainly be accepted in preference to the authority of Mr. Gutelius or Mr. Lynch-Staunton, or both of them, a man who had at heart the future interest of Canada, and of Great Britain as well. I refer to Sir Sandford Fleming. He is a man imbued with the desire for the good of his country, respected throughout Great Britain as well as in Canada whom Providence seems to take pleasure in preserving to an old age to enjoy the admiration and gratitude of the people of Canada.

That gentleman has left a lesson for Canada, a lesson which could have been studied to advantage by the gentlemen who are appointed as inquisitors into the construction of this railway. Sir Sandford Fleming was appointed chief engineer of the first great national railway undertaking of this country. I propose to read from his own writings to show his principles, theories and methods. I am sure that when I bring before hon. members the views of this great engineer none will be able in their heart of hearts to approve the Gutelius-Staunton report. The appointment of Sir Sandford Fleming to the position of chief engineer of the Intercolonial was made by a Conservative government, was made by Sir John Macdonald himself in 1863, an appointment immediately sanctioned by the governments of New Brunswick and Nova Scotia and approved by the Government of Great Britain with praise to Sir John Macdonald for choosing a man of such ability. The commissioners of that day wanted to build the Intercolonial about of the quality of that approved for the Transcontinental by Messrs. Gutelius and Lynch-Staunton. Sir Sandford Fleming had to contend against that. He had to come up from New Brunswick and Nova Scotia and plead before Sir John Macdonald for better conditions of the road; plead with him not to allow the construction of wooden bridges and momentum grades but to have masonry for substructures and iron for superstructures, thus having permanent construction, instead of having to renew every seven or eight years. Sir Sandford Fleming wanted a railway worthy of the Canadian people and worthy of the country's great future. Let me read a few paragraphs from the work of Sir Sandford Fleming entitled, 'The Intercolonial: A Historical Sketch.' It is too bad the American engineer appointed to investigate the Transcontinental had not studied this work for his own edification before he took the job of making his report. First, I will give Sir Sandford Fleming's theory about the bridges:

10 p.m.

> One important point on which a serious difference of opinion arose was in regard to the bridges. In the specification submitted by the chief engineer to the Privy Council the abutments and piers were designed to be constructed of the best description of masonry with iron superstructure. It appeared to the chief engineer that great precautions should be taken with these structures to have them permanent. Iron and stone being the most durable materials, their use would remove risk of accident from fire, and from natural decay. And, although the first cost might be greater, the permanent structures would avoid the constant periodical charge for restoration which wooden work would require.

Then, later he said:

> In January, 1869, the chief engineer made his first appeal in the matter, to the Premier, Sir John A. Macdonald, and he submitted at length the arguments why iron and not wood should be used. This letter was referred to the commissioners in the usual course. It has never been replied to; and the arguments advanced in that communication remain to this day without refutation. But the decision of the commissioners was sustained. Five of the bridges were however, exempted from the principle originally laid down by the commissioners; otherwise, the order was given that all the bridges should be built of wood.

And further on he says:

> He cited two instances of bridges on the Grand Trunk railway, under the management of Mr. Brydges, having been destroyed by fire but a few weeks before the date of Mr. Brydges' statement. Mr. Fleming contended that his estimates were correct, and challenged examination into their accuracy; and he further made a final appeal in favour of iron bridges.
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> After an examination which established that the estimates of the chief engineer were correct, the commissioners eventually withdrew their objections and recommended that all bridges over 60 feet span should be built of iron. But the chief engineer persisted in his efforts to have every bridge, down to the smallest span —24 feet—made of iron, and at last, by an Order in Council dated May 12, 1871, authority was given to have them so constructed.
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> With the exception of three structures built of wood by direction of the commissioners, against the protest of the chief engineer, all the bridge spans, of whatever width, throughout the line, have the superstructure of iron.

In another chapter, writing on the engineering character of the line, he speaks

first of the climatic conditions of Canada—which, however, seem to have been forgotten or put aside for the preparation of the Gutelius-Staunton report.

> The climate of Canada has a marked effect on railway works. The frost is very severe; it penetrates the ground, where denuded of snow, to a depth of from three to four feet, occasionally even to a greater depth.

He makes a distinction between a national undertaking and a private undertaking, and gives the reasons why in the latter the work should be of high grade. Here is the opinion of Sir Sandford Fleming on this great question:

> No portion of railway work is more important than its bridges. When a line is carried out by private effort, a circumscribed capital may compel the adoption of cheap structures.

I call the attention of hon. gentlemen opposite to these words:

> When a line is carried out by private effort, a circumscribed capital may compel the adoption of cheap structures. In some cases it is not the character of the structure, or its economy, which commends itself; but it is the necessity of the case, which limits the cost. A railway constructed to meet a national requirement, and situated like the Intercolonial, is controlled by no such limitations.

These words of Sir Sandford Fleming were used in reference to a national construction for Canada forty-five years ago, and to-day, when the necessities of the development of the West, which cannot progress any further without the winter ports of St. John and Halifax, are such that the people of Canada find themselves faced by the necessity of uniting the Pacific coast with the Atlantic coast by the shortest route possible for the great trade of Canada, they are more applicable than ever, much more than they were forty-five or fifty years ago. But Sir Sandford Fleming is a man who has lived fifty years ahead of his time, and his reasoning to-day should command attention, respect and the adoption by the engineers as well as the laymen of Canada.

> A railway constructed to meet a national requirement, and situated like the Intercolonial, is controlled by no such limitations. It requires no argument to establish that in such circumstances all structures should be of the best form suggested by experience, and that the most durable material should be used. They are then permanently built, and require no subsequent renewal. The first expense is the one cost and in the end the durable structure is by far the least costly.

This is the basis of my remarks to you and to this House on this great question, which captivates to-day the attention not only of every hon. member in this House but in the whole Dominion of Canada. I say that to-day, when the Government undertake to build a railroad or a canal, the people of Canada, the people of Ontario—as the Government are undertaking to build a new Welland canal—do not expect that they will again build a nine-foot or ten-foot canal. This Government to-day is engaging in the improvement of the Welland canal at an expense of $60,000,000 or $75,000,000, an improvement which will be as much an advantage to the American people to the south as to the people of Canada or of Ontario, because it will only benefit the people of Ontario, it will not benefit the people of the Maritime provinces by the Atlantic coast. But I, as a Canadian, will never be influenced by sectional considerations, and I, from the north shore of New Brunswick, would vote with pleasure the $60,000,000 or $70,000,000 which may be required to complete the Welland as well as the Georgian bay canal. We will contribute our portion with pleasure, because the prosperity of one part of Canada will be the prosperity of their neighbours, and the wealth of a neighbour does me no harm. It is only by such patriotic and national considerations that we can expect to make Canada what it is destined to be by the end of the twentieth century.

I wish to call the attention of the members of this House to the distinction drawn by Sir Sandford Fleming between a national and a corporation undertaking. I listened with close attention to the address of my hon. and intelligent young friend the Solicitor General (Mr. Meighen), a young man who has no more sincere admirer of his ability and his skill as an orator than the member for Gloucester. At the same time, while he has shown great facility in argument and figures, I am sure that the people of Canada and the farmers of the West who read his speech will be lost in its labyrinth of subtleties. They will require heavenly revelation to guide them through this labyrinth of figures and subtlety of argument, and I am sure that Providence is not prepared to extend to Messrs. Gutelius and Staunton that heavenly revelation, because they do not deserve it. It has been said and repeated in this House that the Canadian Pacific and the other companies, the Grand Trunk Pacific itself on the branches they are building, have used what he calls wooden bridges, wooden trestles, momentum grades. The people of the West know what happened in the case of the construction of the

Canadian Pacific railway. The Canadian Pacific railway was the first railway built through that country and it was built by the money of the people of Canada to as great or even a greater extent than has been the case with the National Transcontinental railway, which will remain the property of Canada. But in the building of the Canadian Pacific railway as in the building of all corporation-owned railways through a new country, the road was built as cheaply as it could be done. Then, as years went on, they rebuilt the road again and again, having the people of the West to draw on in the increase of their freight rates. The people of the West have complained that they were being bled through their freight rates in order that the railway might rebuild its line every seven or eight years. At last they made it a perfect line, which will now afford much cheaper transportation, but the people of the country have paid for it. The people of the West have paid for the improvements from the Great Lakes to the Pacific coast. I say that without prejudice to any company, either the Canadian Pacific railway, the Canadian Northern railway or the Grand Trunk Pacific. They have succeeded through the people of Canada using their roads and paying the rates. Railway experts state that 90 per cent of the reductions in rates that have taken place in the last ten years have been due to the coming of the Canadian Northern railway. These reductions represent a saving in ten years of $17,000,000 to the farmers of Manitoba, Saskatchewan and Alberta, and all that is the result of competition. For fifteen years the people of those provinces have been paying enormous freight rates to enable the Canadian Pacific railway to become the gigantic railroad that it is to-day. It is rich by reason of the money paid by the people of Canada in freight rates. Whenever a company has built a line, whether trunk or branch, and has not had people to draw upon, it has failed in its purpose. If our branch roads in New Brunswick and Nova Scotia, built in the early years of Confederation by small capitalists who could not afford to put their road in a good position, have not been improved, it is because the surplus revenue from passenger and freight traffic has all been used in maintenance, filling up the same holes every spring and keeping the road together. If we had built a road such as Messrs. Gutelius and Staunton suggest in their report, it would have been in the position of those Maritime railroads to-day.

If another authority is needed, I may cite Mr. Gutelius himself. Take the Intercolonial railway Gutelius. He wants to improve the Sydney branch of the Intercolonial, and is asking for authority to carry out a survey in order to improve that section. Let me read a newspaper clipping on this point:

> The Minister of Railways, Hon. Frank Cochrane, has authorized a survey of the Intercolonial from Moncton to Halifax and Sydney, with a view to eliminating the present heavy grades, replacing light bridges with heavier steel structures, and finding out the cost and feasibility of a cut-off at Truro. The authority for carrying out the survey was given to General Manager Gutelius by the minister on February 2 last.
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> Mr. Gutelius, in his memorandum to the minister on the subject, states that by reducing the grades to a maximum of six-tenths the tonnage on the trains could be doubled, and by increasing the strength of the bridges, heavier motive power could be used on this section of the line. At present the maximum train between Sydney and Point Tupper is 540 tons. If the proposed improvements are carried out, the road could handle a train of 1,600 tons.
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> Mr. Gutelius says: 'That would enable us to handle the Sydney business at less than half the present cost of transportation, and would reduce the total operation cost by twenty-five per cent.'

So says the Intercolonial railway Gutelius. He wants a couple of million dollars to improve the Intercolonial railway between Sydney and Truro, a distance of about 200 miles. If I am wrong in the distance, my hon. friend from Richmond (Mr. Kyte) will correct me.

Mr. KYTE: 280 miles.

Mr. TURGEON: At that rate $1,000,000 per hundred miles, he would want about $18,000,000 to put the whole of the Transcontinental in the same condition as the branch line between Sydney and Truro; and yet he talks about extravagance. He says money has been spent which need not have been spent for some years; but the farmers of the West need an efficient railroad now. The prosperity of our farmers depends upon a reduction in freight rates. A farmer is wealthy or poor according to the rate he has to pay to get his goods to market. To-day other men, besides Messrs. Gutelius and Lynch-Staunton, are giving their attention to the question of freight rates.

Mr. LEMIEUX: It is a national issue

Mr. TURGEON: It is a great national issue to-day. Men, to-day, in the provinces of Saskatchewan and Alberta, are giving their attention to the best means of securing reduced freight rates and cheaper transportation for grain. They are talking not only of the Georgian Bay canal, not only of the Welland canal, not only of the Hudson Bay railway, but they are talking of connecting the Saskatchewan river by a system of canals with navigation on the Great Lakes so that their grain may be transported by water from the prairies of the far west to its market. You are aware, Mr. Speaker, that the Government of Saskatchewan have taken up this question. The Government of Saskatchewan appointed a commission a year ago to study this important problem and they sent commissioners to England, France and Germany in order that they might consider means for further reducing the cost of the shipment of grain from the farms in the West to the markets of Great Britain, France and other countries. While we hope that they may be able to work out a practicable system of canals we must not forget that our country cannot get along with canal transportation alone owing to our climatic conditions and to the fact that in many parts of Canada we have winter for five or six months in the year. Then our canals are of no use and it is to railway transportation that we must look in order that the grain may be forwarded to its ultimate destination regularly throughout the year. It is not enough that the grain shall be rushed through to the markets during the months of October and November, thus reducing the price to the farmers of the West, but it is necessary that we shall make provision to keep transportation going on the whole year round, winter as well as summer, so as to enable the farmers to take advantage of the market as well as the possible reduction in freight rates.

The hon. gentleman who spoke last (Mr. Davidson) made reference to a suggestion that the road should have been built as far as North Bay only. I would like to have seen the hon. the Postmaster General (Mr. Pelletier) in the House when this pronouncement was made. I would have liked to have seen hon. members from the province of Quebec, and especially from Quebec city and west of that point, as well as hon. members from northern Ontario who are expecting a great development to take place in the districts represented by them, and I would like to have heard their comment upon this proposal. The hon. the Post-

master General, hon. members from Quebec and the Conservative papers of Quebec are to-day extolling the Government for the works and improvements they are carrying on in and around Quebec and the money they are spending in order to promote the prosperity of the people of Canada generally and of that district in particular. I would ask, if, without the energy, activity and patriotism of the right hon. leader of the Liberal party (Sir Wilfrid Laurier), the northern part of Ontario and of Quebec would enjoy the prospect of prosperity which presents itself to their view to-day. I would like to ask you if the right hon. leader of the Opposition had not been seconded, fortified and assisted as he was by men of the highest standing from the province of Quebec and from all over this country, such as Sir Charles Fitzpatrick and others, he would have been able, by the inauguration of this great national project, to ensure the prosperity of Quebec while at the same time benefiting the country at large. While the National Transcontinental railway shortens the distance between Winnipeg, St. John and Halifax, and while it develops the portion of the country through which it passes, it at the same time contributes to the welfare of Canada as a whole. I really cannot understand how people, especially from the province of Quebec, should not be most pleased because, by the exercise of his ingenuity and talent, my right hon. friend the leader of the Opposition has been able, while finding a means of enhancing the prosperity of Canada as a whole, to promote the prosperity of the people of northern Ontario and Quebec in particular. Simultaneously with the progress of other parts of Canada, Quebec is progressing and is becoming a great shipping port, which prosperity it would have lost but for the policy pursued by my right hon. friend. My right hon. friend realized that this great port of the province of Quebec was declining in public opinion, particularly among the commercial and shipping interests of Great Britain, who were insisting that all the trade should pass through the port of Montreal, and he has been able to retrieve the position of the port of Quebec, while at the same time benefiting the country generally. As a result of his policy, he has been able to make the port of Quebec what it is to-day, and our friends on the other side of the House should not have a word to say about fraud or extravagance because, but for the policy which has been

pursued, the stagnation which at one time characterized that port would have still existed.

That great man, Sir George Ross, who has been called away at a time when still greater services were expected from him by his fellow-countrymen, built the Northern Ontario and Temiskaming railway, and this was one of the causes of the defeat of his Government in 1903 or 1904. Yet, nothing has contributed more substantially to the prosperity of the province of Ontario than the construction of that public work. It has proved one of the greatest sources of revenue for the Whitney Government, and without it that Government would not be able to show a surplus at any time. This road was built into a part of the country which the opponents of Sir George Ross at the time declared to be of no value whatever, but which has proved to be of more value than any other part of that province, although it is only at the beginning of its development. Yet the critics of the Government of the day declared that the road should never have been built. Now, it is proposed by hon. gentlemen opposite that the National Transcontinental railway should stop at North Bay or Toronto. I would like to read to the House an extract from an article in the Montreal Gazette which was published a few days before the report of this commission was brought to the attention of the people of Canada. It is worth reminding the people of Canada how a man can speak the truth when he removes himself from political prejudices, and so I quote this article from the Montreal Gazette:

On the line of the Transcontinental there are some 230 bridges, the length of which would be, if all the spans were put together, 11 miles; weighing 61,000 tons; and costing $6,000,000. Among the bridges that span the Winnipeg river is one 300 feet in length. The Salmon river bridge, in the east, took 1,089 tons of structural steel.

The heaviest structure on the eastern division is the Little Salmon river viaduct—4,000 feet long, 200 feet high, and requiring 6,996 tons of structural steel.

The fact that 230 bridges were necessary in connection with the building of the Transcontinental gives a realizing notion of the truth of the saying that Canada is a country of distances.

The line passes over some of the largest and finest waterways in the world.

The bridge building in this connection has been carried out without accident—a record of note, considering the difficult nature of the work, the height in many cases and the rigours under which, in the winter, a considerable amount of the work was carried out.

An official description of the bridges and the difficulties encountered in the erection of them, together with the nature of the country through which the line passes, has been prepared by the engineers engaged on the work and is full of fascination to those who are able to feel the interest and daring and heroism involved in such a vast undertaking—all the work upon which was undertaken and carried out by men who, in risking their lives and suffering of all kinds of hardships, did not think they were doing anything beyond the day's work.

'And the day is not far distant,' said an official of the Grand Trunk Pacific, 'when the most desolate wilderness through which the line passes, will be composed of thriving communities. For that is the history of railways everywhere. And it will be the history of this great Transcontinental line, which, begun with misgiving, is to fill a large place in our life and history. The need will declare itself more and more—all the time. That it is to fill a large space is proved by the energetic manner in which the Canadian Pacific railway is strengthening its position in the country, both east and west. That shows that it recognizes and provides for formidable rivalry.'

The Transcontinental railway will make of this wilderness, in northern Quebec and Ontario, the richest and wealthiest part of Canada, wherein our people will live in happiness in the centuries to come. Our friends opposite have the hardihood to say that money has been wasted on this road, when that money has been spent simply to make the road as perfect as possible. Messrs. Gutelius and Staunton report that the portion of the road between Quebec and Moncton never should have been built, but would they say that the section north of Ontario and Quebec never should have been constructed, and that this fertile country should be left a wilderness? But for the patriotic foresight of Sir Wilfrid Laurier and his supporters, the wilderness in northern Ontario and Quebec would not have been developed, and a wilderness it would remain for possibly another century. I assert, sir, that the time is not far distant when the winter ports of Halifax and St. John will not be sufficient to accommodate the trade of the West. I ask hon. gentlemen opposite who come from the Maritime provinces what they think of that portion of the report which says that the road should not have been constructed through New Brunswick and Nova Scotia. What does my hon. friend from Kings-Albert (Mr. Fowler) think of the suggestion of Messrs. Gutelius and Staunton that we should have nothing but the Intercolonial railway along the north shore of New Brunswick?

Some hon. MEMBERS: Answer.

Mr. TURGEON: My hon. friend was quite ready in answering and asking questions when he was on this side of the House; but to-night he is silent.

Mr. FOWLER: I did not hear the hon. gentleman's question; will he please repeat it?

Mr. TURGEON: I do not think the people of the Maritime provinces would be satisfied if the Transcontinental railway were not extended so as to bring the fertile products of the West to the Maritime ports. Would my hon. friend oppose a road which means prosperity and increased population to New Brunswick, and which will bring the grain of the prairie provinces and the mineral resources of British Columbia to St. John and Halifax and other ports? We have the immense forests of British Columbia, and we have the immeasurable coal fields of that province which the Conservative members from British Columbia do not appreciate as I do, and we want those products carried over the Transcontinental railway to St. John and Halifax. I am from northern New Brunswick, and if there is one man more than another whose selfishness might be aroused by the proposition to have another railroad in the centre of New Brunswick, instead of carrying all the freight over the Intercolonial past the doors of my constituents, I am that man. But the moment the Transcontinental railway was projected, and the moment it was said it would pass through central New Brunswick, then for the sake of my province, and for the development of our resources, and the advancement of the interests of our people, I held up both hands in support of the project. Our population was around the borders of the province, along the Intercolonial from St. John to Fredericton, and from there to Edmundston, and we have there the centre of the province, with thousands of square miles of the best forests and every possible product. We have there immense virgin forests and water-powers of all kinds, which will cause to arise every possible industry all along the railroad. Would we have said to the people of Canada, 'We are losing our population and you must give us more representation because of that? We do not want any improvement if you give us representation without population. I take the ground that we should get population first and then we shall get representation. They say that we should have no railway construction in the Maritime provinces, and they quote the name of the late Mr. Blair. There is not a man in this House who is a more sincere friend of Mr. Blair than I. I admired him not only for his political sagacity, but for the justice he did to the people of my own town in a certain crisis. My town people and my country people still revere the name of Mr. A. G. Blair, as they did twenty years ago, when he sacrificed his political career for the sake of justice in the small town of Bathurst. At the very time of his resignation from the Government, no man in this House was so much devoted to that gentleman as I was, for the reasons I have given. But Mr. Blair, when as Minister of Railways and Canals he first visited British Columbia in 1898 or 1899, told the people of that province, at a banquet, that the time would soon come when Canada would have three transcontinental railways, and that that time could not come any too soon for him. I believe from the bottom of my heart that the only consideration which actuated that great patriot, statesman and politician, was his love for the Intercolonial railway and for St. John, which he represented; and he was afraid that the National Transcontinental railway might interfere with the progress and prosperity of the Intercolonial railway and of the port of St. John, which he had so much at heart. If the railroad, instead of being built to Moncton, had been built straight to St. John, so as to take the whole trade to that port, he would have acceded to its construction.

When the people of Canada have time to consider seriously, to digest, to ponder over the report, the speech of the ex-Minister of Railways and Canals, and other speeches made on this subject; when they look over the conditions of the country which are fast forcing themselves upon the notice of the Government and of the people, they will come to the conclusion that the members of this commission have issued an ex-parte report which does not commend itself to the attention of the best papers of the United States or of Great Britain either. I have not time to give quotations, but I have seen many papers in the United States censuring the report as made ex-parte, in star chamber, because the Liberal party were given no opportunity of proffering evidence of any kind. That kind of inquiry does not meet with the approval of the people of the United States or of a great many people of Great Britain. Although it has been said, and it may be true for a while, that this report may possibly affect the credit

of Canada in Great Britain, I trust in the intelligence of the people of Canada and of the people on the other side of the ocean that, when they consider seriously the vast distance between the two oceans and the political bias which has characterized this report, they will immediately come to the conclusion that, after all, as the report itself says, there has not been one dollar of graft in the construction of this road, which may have cost $181,000,000 or more. The commissioners in their report insist that the exact amount of interest which the company will have to pay will be $5,400,000 a year, and they claim that this will affect the operation of the road. In the beginning of my remarks I stated that if the company does not operate the road, it will only be because the road has not been finished according to the terms of the agreement between the Government of Canada and the company. If the company operates the road, it will be operating a line which will be as advantageous as any other line, because, while the company may have $5,400,000 of interest to pay upon the large capital for the construction of the best road not merely in America but in the world, it will have practically nothing to pay for the maintenance of the road, which is perfect in every respect, and it will save in operation thousands of dollars every day, which will amply make up for that interest. It was with that object in view that Sir Sandford Fleming said that the more perfect a road, the greater the economy in its operation and in its maintenance.

He did not build such a road as Mr. Gutelius would have built. For while Mr. Gutelius might have saved $3,500,000 or $4,000,000 a year in interest on cost of construction, he would have provided a road on which every year millions would have had to be spent in maintenance, besides which there would have been the rebuilding of these bridges and the taking out of these momentum grades, at immense expense to the people. Sir Sandford Fleming believed in saving expense from the beginning. I have given you the principles and theory of this great man who, as I have said, has the respect of the people of Canada, a man who has helped on not only the prosperity of Canada but the unity of the empire.

As against the opinions of this engineering genius, as I may call him, we have the theories of a man who is not a Canadian, who has not a Canadian's ideas and aspirations, a man who may be an honest man in his way and a good engineer, but one who, judging from his report, will not be considered by the people of Canada a great engineer. Had he a reputation as an engineer, a reputation which he wished to preserve, he would not have put his name to such a report as this to go before the people of Canada and the world. If he had a reputation as an engineer, he sacrificed it for a mess of pottage at the hand of the Government in the form of a fee of $26,000, followed by $20,000 a year during the time he is 'loaned' by the Canadian Pacific railway to this Government. Think, Mr. Speaker, of a proposal of momentum grades under the climatic conditions of Canada for the transportation service of the great cities of Canada to-day, which are to be much greater in a few years. Thousands upon thousands of people will use this Transcontinental railway in the winter; many will come from the prairies and the cities of the West to greet their friends in the East at the Christmas and New Year season. We see the Postmaster General making every effort to have the mails which are brought by steamers delivered as rapidly as possible in the great commercial centres. If this is needed to-day, what may we expect in twenty years? In twenty years we shall have a population that will require the best railway that civilization can offer. Who then would propose to have twelve or fifteen passenger trains a day passing over this route and the lives of these thousands of people subject to the peril of momentum grades in the winter season?

Some hon. MEMBERS: Oh, oh.

Mr. TURGEON: Hon. gentlemen may laugh and think this is a joke. But winter is a fact that remains in Canada—we have had it this season, certainly, as severe as any time within the last fifty years. The conditions that exist, and that will continue to exist, must be provided for. And when I find engineers whom I try to respect saying that on the route from Moncton to Winnipeg momentum grades should be a feature of a high-class railway, I cannot but feel that those engineers have sacrificed their reputations.

Let not our friends on the other side believe that I am afraid of public opinion on this question. In the first place, these investigating commissioners have not been able to report a single dollar of graft; and we know very well that had they been able to find a loss of even a thousand dollars in this way it would have been their greatest pleasure. But they were honest enough not to fabricate it when they did

not find it. I believe that the Liberal party has come out of this investigation stronger in public opinion than ever. This report shows that we have given the people the best road in America. The people know that that road, if not too much degraded, —between Quebec and La Tuque— will carry traffic at a rate to defy competition. And should there be that
11 p.m. degradation of the road, it will be Quebec and the Maritime provinces that will suffer, though that road was built to afford protection for Quebec against the rivalry of Montreal and to save the trade of the Maritime provinces through the winter.

The hon. member for Annapolis (Mr. Davidson) ventured the prophecy that not one Liberal member would come back from Nova Scotia after the next election.

Mr. A. K. MACLEAN: Did he say that?

Mr. TURGEON: Yes. Why did he not say that not one Liberal member would come back from the province of New Brunswick either? In 1908 my hon. friend the Minister of Marine and Fisheries, (Mr. Hazen), who, I regret to see is not in his place, spoke at a meeting in Quebec. He was then Prime Minister of our province of New Brunswick, and in his speech he declared that not one Liberal member would come back from that province in the election then pending. A travelling agent who was present heard him and said: What about Gloucester? 'Never mind Gloucester,' the hon. minister replied, 'not one member will come back;' yet nine came back, and only four of the friends of the hon. gentlemen opposite. I for one do not feel the results of this investigation or of this report. Meanwhile it is our duty to lay the whole matter before the mass of the intelligent electors of the whole country. The engineers and great railway experts will not be affected by this report, and when this discussion is over and, after a little time, the people of Canada are able to ponder over that report and its consequences, they will turn against this Administration and its supporters, because they upheld such a report, by men who are biased, and had but two considerations—one a political consideration and the other, an engineer, whose mess of pottage was there before him. That engineer had so little Canadian aspiration that he worked for railway companies in Canada for ten years without taking out naturalization papers, and it was only when he became a servant of the Government of Canada that, rather than sacrifice his position, his $26,000 or $20,000 a year and perquisites, he became a British subject. Hon. gentlemen opposite but two short years ago declared that it was disloyal and unpatriotic to send a bag of potatoes or a bushel of wheat to the United States—no truck or trade with the Yankees; yet they call in American engineers, and a body of men in Toronto who opposed reciprocity brought the stone for an immense building from the other side of the line. The Liberal party have nothing to fear but everything to hope from the result of this report of Messrs. Gutelius and Staunton. Mr. Staunton's political bias is well known; he would not contradict it himself. While he was still engaged in the making of that report as commissioner, he took part in the elections in South Bruce. The hon. the Solicitor General said that he had finished his report before he took part in that election; but it had not yet been made public, so that his interference in the election was quite unjustified.

I feel sure that when the people of Canada have seriously considered the false theories of railway construction advanced in the report and the advantages which the Liberal party has given to the people of the country at large, to northern Ontario, to northern Quebec, and to the Maritime provinces, they will say to Mr. Borden that he should never have made public that report, that he should have studied it more carefully before he allowed it to be circulated. I am prepared to give credit to the two commissioners for being fair enough not to place any findings of graft in their report, although I have no doubt that that was because they could not find any. Meanwhile it is the greater satisfaction to the people of Canada that on that commission there has been such an active political gentleman as Mr. Staunton, because it is well known in Canada and in England, where Mr. Staunton addressed people on the loyalty question and against American trade in 1911, that if there had been a dollar or a million dollars of graft he would have been only too glad to have exposed it to the people of Canada.

On motion of Mr. W. H. Sharpe, the debate was adjourned.

On motion of Mr. Rogers, the House adjourned at 11.13 p.m.

Monday, March 30, 1914.

The House met at Three o'clock, the Speaker in the Chair.

VANCOUVER HARBOUR COMMISSIONERS.

Hon. J. D. HAZEN (Minister of Marine and Fisheries) moved for leave to introduce Bill No. 128, to amend an Act to incorporate the Vancouver Harbour Commissioners.

He said: This Bill is to amend a Bill that was introduced and enacted into legislation at the last session of the House in regard to the harbour of Vancouver. The amendment is being made at the request of the harbour commissioners. Under the provisions of that Bill the rental derived from the leases of the foreshore of the harbour were paid over to the harbour commissioners and authority was given to the harbour commissioners to deal with the foreshore in the future. But their powers were limited to making leases for a period of twenty-one years with renewals for further periods of twenty-one years each. It has been found by the harbour commissioners that this provision is not altogether workable, that there are certain cases in which they feel it is more in the interest of the harbour that, instead of leasing the foreshares, there should be power to make grants of them. Therefore, it is proposed to revest the power of dealing with these foreshores in the Governor in Council under a provision that before the Governor in Council deals with any of them he shall first of all get a report from the harbour commissioners embodying their views and recommendations in regard to the matter. This is in order to make the Act workable and it is done at the suggestion of the harbour commissioners who found that the Act in this respect was not as elastic and workable as they would have liked to have it.

Motion agreed to, and Bill read the first time.

HOURS OF RAILWAY EMPLOYEES.

Mr. CARROLL moved for leave to introduce Bill No. 129, respecting hours of service of railway employees.

He said: The chief provision of this Bill limits the number of hours of service which a railway corporation shall demand of its officials to fourteen a day, and specifies the period that must be allowed the employees for rest betweeen the working hours. Clause 3 of the Bill states the hours of service that cannot be exceeded by order of any railway company and fully sets forth the hours of duty and off duty that shall be required or permitted. It is careful to make exception in cases of accidental obstruction over which the company, or its agents, has no control. It sets these forth in detail. The main purpose of this clause is to provide a law that can be invoked in case the regulations set forth therein are violated in any way, which law must be interpreted by a judicial tribunal, from whose judgment there is this appeal, thus giving thereto that elasticity which the changes of condition from time to time may demand. The fixing of the hours of service by any body, such as the Board of Railway Commissioners for Canada, for example, would mean cast iron rules lacking that elasticity and from which no appeal is obtainable. It is quite obvious that this protection is in the interest not only of the employees affected thereby but also of the railway companies and of the general public. The clause which provides for the offence on the part of the railway company and the penalty attached thereto; it also provides for the prosecution of a suit in civil courts in case of violation. The general intention of the Bill is to protect railway employees, and to protect the companies from accidents and the general public from suffering injury and damage by these accidents which frequently occur.

Motion agreed to, and Bill read the first time.

PRIVATE BILLS.

FIRST READINGS.

Bill No. 125, for the relief of Walter James Liscombe.—Mr. Douglas.

Bill No. 126, for the relief of Ethel Cora Robinson.—Mr. German.

Bill No. 127, for the relief of George Fullerton Forsythe.—Mr. Schaffner.

THE NORTHERN TERRITORIAL RAILWAY COMPANY.

Further consideration in Committee of Bill No. 91, respecting the Northern Territorial Railway Company.—Mr. McKay. Mr. Blondin in the Chair.

On section 1—extension of time.

Mr. OLIVER: Would the hon. member in whose name the Bill stands tell us where this railway is located?

Mr. McKAY: I cannot tell exactly, but I can do so generally. At the time the railway was incorporated, the wording was that it would start from either Fort Churchill

or Port Nelson. As it is now definitely settled that the harbour will be at Port Nelson, I presume that the road will start from there. Then it goes across country to lake Wollaston, crosses the Athabaska river and goes from there on to the Pacific coast.

Mr. OLIVER: Where does it cross the Athabaska river?

Mr. McKAY: I cannot give the exact place. It is not stated in the Act of Incorporation, but it passes on the south side of lake Athabaska on towards what is known as the Peace river block.

Mr. OLIVER: Where does it cross Peace river?

Mr. McKAY: That is not stated either.

Mr. OLIVER: Where does it touch the Pacific coast?

Mr. McKAY: At Port Essington or the Portland canal. From the point where the railway crosses the Athabaska river, a branch line will be built to the city of Edmonton by way of Fort McMurray and lac LaBiche.

Section agreed to.

Bill reported, read the third time and passed.

THIRD READINGS.

Bill No. 27, respecting the South Ontario Pacific Railway Company.—Mr. William Smith.

Bill No. 79, to incorporate the Bruce Peninsula Railway Company.—Mr. Middlebro.

Bill No. 87, to incorporate the Erie and Ontario Railway Company.—Mr. Lalor.

SECOND READING.

Bill No. 124, for the relief of Leonore Power.—Mr. Porter.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

INTERCOLONIAL RAILWAY—APPOINTMENT OF ENGINEERS.

*Mr. EMMERSON:

1. Has the Intercolonial railway appointed a man named Cowan as resident engineer in the Maintenance of Way Department at Truro, Nova Scotia? If so, when was he appointed, and at what salary?

2. Where is he from, what is his age, is he a British subject, and had he been until recently or at any period in the employ of the Canadian Pacific Railway Company?

3. Did he displace Mr. J. Jardine, C.E., an engineer trained on the Intercolonial railway, and who held the position of resident engineer at Truro by promotion?

4. Is the said J. Jardine, C.E., now in the employ of the Intercolonial? If so, in what position and where?

5. Is the said W. O. Cowan a friend or relative of C. B. Brown, the chief engineer of the Intercolonial?

6. Was the said C. B. Brown, chief engineer of the Intercolonial, an American citizen at the time of his appointment, and in the employment of the Canadian Pacific Railway Company, and when was he appointed and at what salary?

Mr. REID:

1. Yes. March 15, 1914. $150 per month.

2. Halifax. Age 37. Yes.

3. He succeeded Mr. Jardine, who has been assigned other duties.

4. Yes. Assistant engineer, Moncton.

5. He is no relation to the chief engineer, the friendship that exists is only that of a business associate, and such friendship was not a factor in regard to the employment of Mr. Cowan.

6. C. B. Brown. Appointed July 1, 1913. $6,000 per annum. He was in the employment of the Canadian Pacific railway prior to his appointment as chief engineer. The department has no information as to the date of his naturalization as a British subject.

INTERCOLONIAL RAILWAY—EMPLOYMENT OF FRED. HARRIS.

*Mr. EMMERSON:

1. Has the Intercolonial railway now in its employ, or has it had, a man named Fred. Harris? If so, what was the nature of his employment?

2. Was he inspector of rails, when was he first employed, and previous to his employment was there such an officer on the Intercolonial?

3. What was his age when employed, had he been an employee previously of the Canadian Pacific Railway Company, and was he a retired employee of that company and in receipt of a pension or retiring allowance monthly or annually therefrom? If so, what was the amount thereof?

4. Was he a British subject, and what was the salary paid him by the Intercolonial?

5. Is he still engaged as an employee of the Intercolonial? If not, at what date were his services dispensed with and for what cause?

Mr. REID:

1. Yes, it had. Mr. F. H. Harris was in the employ of the railway as rail inspector.

2. Yes. September 1, 1913. No special officer for such work employed previously.

3. Fifty-eight years. Yes. Yes. The department has no information.

4. The department has no information. $100 per month.

5. No. Resigned January 1, 1914. Poor health.

TRENT VALLEY WOOLLEN MANUFACTURING COMPANY.

*Mr. EMMERSON:

1. Who are the directors, officers, and chief shareholders of the Trent Valley Woollen Manufacturing Company, Limited, mentioned in an Order in Council, dated August 25, 1913, and set forth on page No. 398, of the third volume of the Auditor General's Report for the year 1913?
2. What was the full information furnished by them, as described in said Order in Council?
3. Who were the certain of these parties with whom the Minister of Railways and Canals had the subject-matter of said Order in Council under personal consideration, as mentioned and recited in said Order in Council?

Mr. REID:

1. The department has no information as to who are the directors, officers and chief shareholders of the company.

2. Full information as to their alleged legal position in regard of the water-power; and, later, full statement (vouchers and invoices) as to the expenditure in connection with the change from hydraulic to electric equipment.

3. In the present absence of the minister from Ottawa, the department is unable to give the information.

GIASSON POST OFFICE.

Mr. ERNEST LAPOINTE:

1. Was a new post office opened in the parish of St. Aubert, county of L'Islet, and bearing the name of Giasson?
2. What is the distance from it to the main post office at St. Aubert?
3. Who recommended its opening?
4. Has the head office of the department forbidden the postmaster of St. Aubert to receive postal matter from the residents of the parish who are served through that post office, or to deliver such matter to them? If so, why?
5. Has the Postmaster General received a petition from a great number of electors protesting against that course and asking for the closing of the above mentioned new office?
6. If so, what are the intentions of the Postmaster General in connection with such petition?

Mr. PELLETIER:

1. Yes.
2. 1½ miles.
3. By direction of the Postmaster General.
4. No.
5. A petition bearing nineteen names has been received for the closing of the new office.
6. The subject is under consideration.

NATIONAL TRANSCONTINENTAL RAILWAY—CHAMPLAIN MARKET STATION, QUEBEC.

Mr. BOURASSA:

1. Has any decision been reached by the Government as to when the National Transcontinental passenger station will be erected on Champlain market, at Quebec, and as to the removing of the present offices of the Marine Department, now near Champlain market?
2. If so, is it the intention of the Government to have these offices removed to Lévis, to occupy the building belonging to the Government and known as Carrier & Laine workshops?

Mr. REID:

1. The station will be erected as soon as tenders can be called for after the final approval of the plans. It has not yet been determined that it will be necessary to remove the present offices of the Marine Department to any other site.

2. Answered by No. 1.

SHIPPEGAN DOG-FISH REDUCTION WORKS.

Mr. JAMESON:

1. Did the Government erect a reduction plant at Shippegan, N.B.? If so, when and upon whose recommendation?
2. What was the cost of construction?
3. Was a site purchased upon which to erect the plant? If so, from whom, when and at what cost?
4. Was the plant erected upon such site?
5. If not, upon whose property was it erected?
6. If any title to the land upon which the plant was erected has been acquired, from whom was it obtained, when were proceedings to acquire it begun, and what did it cost?
7. What has the yearly and total cost of operation and maintenance of the plant been since its completion, and in what years was the plant operated?
8. What yearly and total revenue has been derived therefrom since its completion?
9. What is the Government's intention regarding the plant?

Mr. HAZEN:

1. Yes. In 1904. On the recommendation of the then Minister of Marine and Fisheries.
2. $25,298.60.
3. No.
4. Answered by No. 3.
5. That of the W. S. Loggie Company, Limited.
6. The site is being expropriated. Instructions were given to have the site surveyed and a description thereof prepared on November 27 last. The plan and description were registered on the 19th of January, 1914.
7. 1905-6, $3,737.15; 1906-7, $9,941.91; 1907-8, $6,482.86; 1908-9, $9,357.02; 1909-10, $12,154.31; 1910-11, $9,590.26; 1911-12, $4,774.61. From 1905 to 1911, inclusive.
8. 1905-6, nil; 1906-7, nil; 1907-8, $3,164.09; 1908-9, $104.66; 1909-10, $316.69; 1910-11, $9,244.48; 1911-12, $860.55; 1912-13, $383.11.
9. To sell it to the best advantage.

BLACK CAPE EAST POST OFFICE.

Mr. MARCIL:

1. Has an application been received by the Post Office Department to re-open Black Cape East post office, Bonaventure county, Quebec, at the house of Napoléon Cyr?

2. From whom has said application been received, and what decision has been arrived at?

Mr. PELLETIER:

1. Yes.

2. The request was made by James Edward Mill, and the matter is under inquiry.

SMELT FISHING LICENSES.

Mr. MACDONALD:

Was any smelt fishing license issued during the past year to George Mason and A. Arbuckles, by D. L. McDonald, fishery officer at Bailey's Brook, Pictou county, during the last season?

Mr. HAZEN: Yes. Through an error on the part of the departmental officer charged with the work of preparing the return, these names were not included in a return submitted to the House on March 17 last. A revised return is being prepared.

ALLEGED CABLEGRAM TO SIR EDWARD CARSON.

*Mr. PROULX:

1. Does the Minister of Militia and Defence know whether the following cablegram was sent by Captain Tom Wallace, member for Centre York, to Sir Edward Carson, as reported by the Citizen of the 26th March, 1914?

Captain Wallace's Assurance.

Captain Tom Wallace, member for Centre York, sent the following cablegram last night to Sir Edward Carson, Belfast, Ireland:

Thousands of loyal Canadians are with you in your magnificent fight to preserve the best traditions of British citizenship by resisting the coercion of Ulster. We are ready, if necessary, to help you with men and money to the last ditch.

(Sgd) Tom Wallace.

2. Is Captain Tom Wallace an officer of the Canadian militia?

3. If he is, does the Minister of Militia approve of an officer of the Canadian militia sending such a cablegram?

4. If not, what action will the minister take to discipline Captain Tom Wallace?

Mr. HAZEN:

1. No.

2. Yes, on the reserve of officers.

3 and 4. The alleged telegram does not in any way relate to the duties of Mr. Wallace as an officer on the reserve; and the minister is not called upon to express any opinion with regard thereto. Any attempt to discipline Captain Wallace in the case suggested would be not only improper but illegal.

[Mr. Hazen.]

AMOUNTS PAID TO L. J. HEBB.

Mr. MACLEAN (Halifax):

What sum of money was paid to L. J. Hebb, chief fishery officer for Lunenburg county, N.S., during the calendar year 1913, for salary and for travelling and other expenses, respectively?

Mr. HAZEN: Wages, $200; expenses, $715.64.

NEW RICHMOND AND SHIGAWAKE MAIL SERVICES.

Mr. MARCIL:

1. What is the cause of the delay in establishing the rural mail service asked for by the residents of New Richmond, Quebec, and Shigawake, Quebec, respectively?

2. When does the post office department expect to have these services established?

3. Has any other rural mail service been applied for in Bonaventure county besides the two mentioned, and where?

Mr. PELLETIER:

1. The department is at present endeavouring to make satisfactory contract arrangements for the performance of the service on the proposed New Richmond station rural route and as soon as such is made, the service will be inaugurated. In the case of the Shigawake application, a petition was submitted a year ago for the establishment of rural mail delivery in the vicinity of Shigawake post office and on inquiry being made by the inspector as to whether or not a circular route could be arranged, it was ascertained that another petition was in circulation which was intended to include some of the roads on the rear range in Shigawake. This latter petition has not been received at the department and further action has accordingly been suspended. There has been no avoidable delay in either case, in so far as the department is concerned.

2. Answered by No. 1.

3. No.

CARLETON HEAD, P.E.I., BREAKWATER.

Mr. J. J. HUGHES:

Is the contract for the construction of landing slip and breakwater at Carleton Head P.E.I., in connection with the proposed car ferry, what is known as an ordinary or straight contract, or is it on a percentage basis? If the latter, what is the percentage paid to contractors?

Mr. REID: Yes, an ordinary contract.

MILITIA AND CHURCH PARADES.

Mr. EDWARDS:

1. Has the Government seen the following paragraph of a leading editorial in the Canadian Baptist of March 26, 1914:

'We venture to raise the question again as to whether anything is to be done in regard to

the use of our troops at religious processions, where they are regarded as a guard of honour.'

2. Will the Government say whether the allegation implied herein, namely that our troops are used as guards of honour at religious processions, is well founded?

3. Is the use of any part of the Canadian militia or permanent force in, or in company with, religious processions in Canada permissible, according to the military regulations governing the militia and permanent force?

Mr. HUGHES:

1. The attention of the Minister of Militia and Defence has been drawn to the paragraph referred to.

2. The allegation is not 'well founded.'

3. It is the custom in every part of Canada and the British Empire for the militia to attend church parades wearing side arms only, as per the following regulations:

(a) King's Regulations and Orders, Canadian Militia, paragraph 1054.

It having been intimated to the department that the rule was not clearly understood in some quarters, the following were issued:

(b) Letter.

Ottawa, May 31, 1913.

From the Adjutant General Canadian Militia, to Officers Commanding Divisions and Districts.

Carrying of arms, Church parades, etc.

Sir,—I have the honour, by direction, to state that, in different parts of the country certain militia units, cadet organizations and members of civilian rifle associations, to whom government rifles have been issued, have been attending church parades and other religious gatherings carrying rifles.

2. K.R. and O., 1910, authorizes the carrying of side arms on parades for divine service, but there is no authority whatever for the carrying of rifles on parades of this character. The firearm is quite out of place on religious parades and processions.

3. It is desired that instructions be issued to all concerned that, in future, this practice is not to be maintained.

I have the honour to be, sir,
Your obedient servant,
(Sgd) Victor A. S. Williams,
Colonel, Adjutant General.

(c) Militia Order.

Carrying of arms at church parades, &c.

It is notified for the information of all concerned, that the carrying of government rifles by certain militia units, cadet organizations and members of civilian rifle associations, when attending church parades and other religious gatherings, is contrary to regulations and is to be discontinued. (H.Q. 214-14-38).

There is no information in the department that these regulations have not been loyally observed.

SOULANGES CANAL—SALARIES OF WHEELMEN.

Mr. SEGUIN:

1. What is the salary paid to the wheelmen Nos. 4 and 5 on the Soulanges canal?

2. Was such salary changed since the 21st of September, 1911?

3. If so, what is the reason for such change?

4. Is it the intention of the Government to have the former salary restored?

Mr. REID:

1. $60 per month when working.

2. No.

3 and 4. Answered by No. 1.

Mr. J. ARMSTRONG.

Mr. LEMIEUX:

1. Has J. H. Armstrong, post office clerk of Sherbrooke, been dismissed?

2. If so, for what reasons?

3. When was he appointed in the service?

Mr. PELLETIER:

1. There is no person of the name of J. H. Armstrong in the Sherbrooke post office.

2 and 3. Answered by No. 1.

UNOPPOSED AND UNDISCUSSED MOTIONS.

Mr. A. W. Chisholm.—Return showing: The salary of each deputy minister; how many clerks or employees are under each of the deputy ministers, or over whose work the deputy is supposed to exercise supervision; the salary of the Customs Commissioner, and how long is he employed.

Mr. Delisle.—Return showing: The names of the postmasters who have been dismissed from office since 1900, in the county of Portneuf; how many investigations there were; the names of those whose cases were investigated.

Mr. William Chisholm.—For a copy of all letters, telegrams, correspondence, guarantee bonds, and other documents and security relating to the renewal of the contract with George A. Stewart for carrying mail between North Lochaber and West Lochaber, in or about the month of May, 1913, and of the subsequent cancellation of said renewal contract, and of the contract made with Hugh D. Cameron for said service.

Mr. A. K. Maclean.—For a copy of all tenders, correspondence, documents, &c., relative to supplies for Aldershot Camp for the year 1913, from June until October?

Mr. A. K. Maclean.—For a copy of all advertisements, tenders, contracts, documents, papers, &c., relative to the supply of ice to the Aldershot Military Camp, N.S., for the season of 1914.

Mr. Sinclair.—For a copy of all letters and telegrams received since April 1, 1912, by the Minister of Militia and Defence from G. A. R. Rowlings of Sydney, N.S., A. H. McDonald of Sherbrooke, N.S., Jas. L. Hattie of Caledonia, N.S., and A. J. Fulton of Guysborough, N.S., relating to bounties payable to Fenian Raid Veterans, and of the replies to said letters, if any.

Mr. Sinclair.—For a copy of all letters and telegrams addressed by G. A. R. Rowlings and J. S. Wells to the Department of Public Works, or the minister, since October 1, 1911, relating to the construction of a public wharf at Cole Harbour, Guysborough county, N.S., and of all replies thereto.

Mr. Emmerson.—For a copy in duplicate of all leases, agreements, correspondence, Orders

in Council and other documents relating to the water power or privileges connected with the Stevens dam, so called, that had been constructed across the river Trent at the village of Campbellford, together with a copy in duplicate of a license in connection with said dam, granted to the Hon. James Cockburn and others under date December 9, 1869, and of all correspondence with, and opinions of, the Minister of Justice at the time of the granting of said license and since that date; also a duplicate copy of all papers, correspondence, Orders in Council and other documents relating to or connected with the cancellation, termination and revocation of such license on the 12th of August, 1911, and of all correspondence, propositions, agreements or other documents had and made by, to or with the Trent Valley Woollen Manufacturing Company, Limited, and of all correspondence with the Department of Justice and opinions thereof relating thereto; also a duplicate copy of all correspondence, reports, Orders in Council and other documents referred to or mentioned in an Order in Council of date August 25, 1913, set forth on page No. W. 398, in the third volume of the Auditor General's Report, 1913, and of all correspondence with the Auditor General and by and between the Auditor General and any department of government relating thereto or connected therewith.

Mr. Ernest Lapointe.—For a copy of all documents, papers, petitions, correspondence, reports, &c., in connection with the opening of a post office under the name of Giasson in the parish of St. Aubert, county of L'Islet.

Mr. Demers.—For a copy of all correspondence, petitions, lists of shareholders, Orders in Council, licenses, certificates and other papers and documents, and of all renewals thereof, relating to the incorporation and licensing of the Banque St. Jean, the Banque Ville Marie and the Banque Jacques Cartier, all in the province of Quebec.

Mr. Sinclair.—For a copy of all correspondence between Mr. G. E. Torrie, fishery officer for the municipality of Digby, N.S., and the Department of Marine and Fisheries, bearing date between the 1st day of January, 1912, and the 1st day of January, 1914; also a copy of all claims and accounts rendered by the said fishery officer to the said department between said dates relating to services rendered by said officer to the department.

Mr. Sinclair.—For a copy of all correspondence, telegrams, instructions, accounts, vouchers and other papers and documents relating to the purchase of live stock in the Maritime provinces by one Howard Corning of Yarmouth, N.S., during the period of his employment; also a copy of the appointment of the said Howard Corning and of all correspondence, complaints and other documents relating to the dismissal of the said Howard Corning, if he has been dismissed or retired from the service, together with a copy of all recommendations, correspondence and other papers relating to the appointment of the said Howard Corning's successor.

Mr. Boulay.—For a return showing the travelling expenses paid by the Government to the Honourable Rodolphe Roy, judge of the Superior Court at Rimouski, during the years 1912-1913 and 1914, for trips from Quebec to Rimouski and return.

Mr. Graham.—For a return showing: 1. Particulars of the inventories and value of the estate of the late George A. Montgomery, registrar at Regina, whose estate escheated to the Crown.

2. The amount realized at Regina or elsewhere, on the conversion of said estate into money.

3. The cost paid or allowed with names and amounts paid or allowed before the residue was paid over to the Crown.

4. The amount paid over and actually received by the Crown.

5. The disposition of the fund and the names of the persons to whom any sum has been paid, and the respective amounts thereof so paid over or allowed since the Crown received the same.

6. A statement showing the difference between the reports of the present and the late Minister of Justice as to disposition of the fund, and a copy of such correspondence and representations as led up to any change.

7. The actual balance now on hand and the intended disposition thereof.

[Mr. Emmerson.]

THE NATIONAL TRANSCONTINENTAL RAILWAY.

Consideration of the proposed motion of Hon. W. T. White (Minister of Finance) for Committee of Supply, and the proposed amendment of Mr. Graham thereto, resumed from March 27.

Mr. A. C. BOYCE (West Algoma): When the report of the commissioners appointed by this Government to investigate into all questions relating to the construction of the National Transcontinental Railway was brought down in this House, and the details of it published to the country, the outstanding question on everybody's lips was: What is the Liberal party going to do about it? On Tuesday last the hon. member for South Renfrew (Mr. Graham) demonstrated what the Liberal party proposes to do about it in the resolution which he offered to this House, and which, as a preface to what I am about to observe, I will take the liberty of quoting:

> That the report of the commissioners appointed by the Government to inquire into the constructiton of the Transcontinental railway is so wilfully partisan and misleading as to be wholly unreliable; that the manifest object of the said commissioners was to misrepresent for party purposes rather than to investigate in the public interest, without regard to the serious consequences to the country or this great national undertaking; and that for the appointment of such commissioners, and for accepting and endorsing their report the Government deserves the severe censure of this **House.**

That, forsooth, is the attitude which the great Liberal party in Canada have, after mature deliberation, elected to take with regard to a report which vitally affects the history and record of that party, and its future prosperity or otherwise. The resolution is aimed at the personnel of the commission. It complains in a bitter wail

that the commissioners were partisan and that the report is misleading, but there is not a word in that resolution, nor could there be, suggesting that the witnesses who gave evidence before the commission were corrupted or that they committed perjury; or that the documents upon which the specific findings of that report were based and filed were improper or fraudulent; or that the general evidence and facts obtained from the time the inspection of the road began up to the point at which the report was lodged has been interfered with. It was not always so with hon. gentlemen opposite. They have not always objected to reports condemning departments of their Government for extravagance on the ground that partisan commissioners were appointed by the Government. A report was brought down in this House a few years ago of an investigation into the Department of Marine and Fisheries, conducted by a commission appointed by the late Government. One of the most outstanding and memorable phrases of that report was: 'Zeal for economy is absolutely conspicuous by its absence,' or words to that effect. Hon. gentlemen opposite wailed and cried and shrieked against that report and had a reference to Judge Cassels for the investigation of it, but there was not one word from hon. gentlemen opposite then with regard to the personnel of the commission, or to the fact that the commissioners were wilfully partisan and that because they were partisan the report was misleading. With hon. gentlemen opposite it depends largely upon 'whose ox is gored,' and just because the Transcontinental Investigating Commission was appointed not by themselves but by the party on this side of the House, after complaints extending over a period of nearly seven years as to the extravagant and wanton manner in which the public money was being expended on this great undertaking, they allege that the commissioners were wantonly partisan and that for that reason the report cannot be relied on. All I can say with regard to that, is that the report demands a little greater consideration by hon. members of this House than that gentlemen of honour and repute, ability and experience, appointed two years ago to investigate the cost and manner of building this great national undertaking, should be charged, absolutely without reason, absolutely without evidence to support it, with making an evil report because forsooth they were wilful partisans and made their report accordingly. I ask my hon. friends opposite whether, in their judgment, they have done full justice to so serious an occasion by levelling their fulminations against this report and by crystallizing their opinion into a resolution, not concerning the merits of the undertaking itself, nor for the reason that something radically wrong is shown by the report, but condemning the report for the flimsy, miserable excuse that the commissioners were partisans. This country looks for something more tangible than that from hon. gentlemen opposite. The facts are that these commissioners were appointed two years ago; that reference to their appointment has been made in this House for two sessions; that the hon. gentleman who moved this resolution of censure against the commissioners, on the grounds of political partisanship, has sat in this House for two sessions and knew that these gentlemen were investigating the National Transcontinental railway and knew that one of these days a report would be brought down, but that he kept locked up in his bosom what he pretends to know now, namely, that all the time these gentlemen were wilful partisans, and that any report they might make would not be entitled to the respect of this House or of the country. Mr. Speaker, my hon. friend from South Renfrew did more than that: He sat in this House as a prominent member of the great party which occupies the benches to your left, and he voted to place one of these commissioners in a place of great responsibility under this Government, voted to give him a very large salary because of his fitness to fill that position and because of his absolute reliability, experience, and excellence in the matter of railroad building and management. And the same hon. gentleman now says, forsooth, that the report is misleading and unreliable because the commissioner of this excellent and admirable and capable man was wilfully partisan. During the many years that my right hon. friend the leader of the Opposition had the confidence of the country and sat with his party on the Government benches, numerous efforts were made by the Conservative party in this House to extract by means of questions, commissions, inquiries, and in debate, information from the Government of the day as to just what was going on in connection with the letting of contracts and the construction of the National Transcontinental railway. Once or twice there were inquiries—the Hodgins investigation and the Lumsden

4 p.m.

investigation. There were debates in this House. During the whole course of these debates and investigations it was very palpable that the Government of the day was endeavouring to keep from the public throughout Canada the actual facts in regard to the extravagance, recklessness and mismanagement which attended the building of the Transcontinental railway. No wonder that the Government changed. The Government having lost the confidence of the people, the people decided in favour of a change of Government. One of the first steps that the new Government took, in carrying out the pledge which its leader made to the people, was to appoint a royal commission to see whether or not the complaints which that party had made in the past were true, and, if true, whether the party which was responsible for the whole transaction from its inception, and whose recklessness and extravagance are shown in this report, was culpable or deserving of the severe censure of the House and of the country. It has been shown by the result to have been more blameworthy than the two commissioners who have made this report, and who deserve the thanks of a grateful country for giving the facts to the people.

The hon. member for South Renfrew (Mr. Graham), who moved this resolution, sat on these benches for many years as Minister of Railways and Canals, and he was familiar with what was going on. He was repeatedly asked for information. Sometimes he gave it, sometimes he did not give it, and sometimes the hon. gentleman gave information which, I think, from a reading of the speech which he delivered on Tuesday and Wednesday last, he would be very sorry indeed to-day to realize that he had given to the House. The hon. gentleman presented himself to the electors at Brockville for re-election as Minister of Railways and Canals, and went down to defeat upon a policy advocated by his leader, a policy which had for its object the absolute destruction of the utility of the Transcontinental railway, and the diversion of traffic from it to north and south lines.

We, the Conservative party of Canada, complained, and we complained early. My right hon. friend (Sir Wilfrid Laurier) had hardly got his breath after making that memorable speech on the 30th of July, 1903, before the right hon. the Prime Minister (Mr. Borden), then leader of the Opposition, made a speech, for the preparation of which there could be very little time, in which he outlined certain strong features which might appear to be of very great import to my right hon. friend (Sir Wilfrid Laurier), and to the Government of which he was then the leader. The first question, which was of very serious import to the country, but which did not appear to be of very serious import to my right hon. friend or his Government, was what this great undertaking, for the beginning of which even time would not wait, was going to cost, and how great was to be the burden that it would put upon the people of the country. What did my right hon. friend say? Was my right hon. friend serious when he told this House that the railway from Moncton to Winnipeg would cost $13,000,000 and not a cent more? These are his absolute words. Nobody believed it. Nobody took him seriously. He did not take himself seriously. He launched this project upon the people without the slightest consideration what the cost was going to be or what would be the burden which would be imposed upon the ratepayers. Across the floor of this House the then leader of the Opposition, now the leader of the Government, sent the challenge to the ministers of the Crown that they were unable to tell him the cost of this gigantic undertaking within $10,000,000. My right hon. friend gave sufficient opportunity for a reply, but not one of them rose. Not in connection with that, but in connection with another charge that he was confronted with, namely, that there was no information upon which to base an estimate of the cost, my right hon. friend replied: We have 'mountains of information,' abundance of maps, plans by provincial Governments, and reports upon everything, but the fact remains that this project was launched without one single statement from any scientific gentleman having reference to the nature of the territory which was to be traversed by this railway, or showing how much this railway would cost per mile. I confront the leader of the Opposition now with his words—$13,000,000 and no more. I emphasize that with the Liberal pamphlet which was published in the election of 1904 giving the cost of the Transcontinental railway at $13,000,000, and I ask my right hon. friend whether, in his judgment, and having regard to the uncontrovertible and uncontradictable

facts, as they now appear in this report, he was not misleading the people of Canada at that time and was not intending to mislead them to the point that the people would be committed to the railway, and would have to have it carried through.

Another estimate as to the cost of the road was furnished by my right hon. friend's Minister of Finance at that time—a very careful estimate, Mr. Speaker. It created the impression in the House that the estimate which Mr. Fielding gave of $61,415,000 for the construction of the Moncton to Winnipeg section was most liberal. He wrote a letter in connection with that which is shown in the exhibits, and which I must ask the House to listen to because it is distinctly interesting. Under date of May 11, 1904, and after the minister had made a speech upon the subject, he wrote this letter:

Ottawa, May 11, 1914.

Dear Mr. Emmerson,

Last summer, while I was acting Minister of Railways, and when the Grand Trunk Pacific scheme came up, I asked Mr. Schreiber's opinion as to the probable cost of constructing the eastern division (Government portion) of the road. Mr. Schreiber gave me the information, although not in the form of a written report, and I used it in the House, mentioning his name as my authority. His opinion was that a road could be constructed from Quebec to Moncton for $25,000 per mile, and from Quebec to Winnipeg for $28,000 per mile.

These estimates were made for a road of an ordinary character such as is constructed elsewhere. In order to make a sufficiently liberal allowance for a road of better character, I added 25 per cent, making the estimate $31,250 per mile from Quebec to Moncton, and $35,000 per mile from Quebec to Winnipeg. I have not spoken to Mr. Schreiber on the matter of late, but from other experienced railway men I have received assurances that my estimate was a most liberal one and that the road could probably be constructed well within these figures.

As above stated, I did not obtain a written report from Mr. Schreiber. I think it might be convenient to have a report from him. May I suggest that you discuss the matter with him, and, if there is no objection, ask him to make a short memorandum, putting in writing the information which he gave me last summer.

Yours faithfully,
(Sgd) W. S. Fielding.

Honourable H. R. Emmerson,
Minister of Railways and Canals,
Ottawa, Ont.

And $61,415,000 was stated by the Minister of Finance to this House and to this country, as being a most liberal estimate, based upon the information furnished and assurances given by experienced railway men—men, for instance, like M. P. Davis, who undoubtedly would not mislead the minister in regard to any additional amount that would be taken from the people for the construction of this railway.

The right hon. gentleman (Sir Wilfrid Laurier) in a most eloquent speech; a speech more eloquent than convincing to the thoughtful and earnest reader, expressed great concern that no delay should take place in the immediate construction of this much-needed railway. His words have been often quoted, but I ask the indulgence of the House while I extract a few cogent sentences from that most notable speech delivered on July 30, 1903, when he was introducing the Transcontinental railway measure. I quote his words from page 7659, 'Hansard,' 1903:

To those who urge upon us the policy of to-morrow and to-morrow, and to-morrow; to those who tell us wait, wait, wait; to those who advise us to pause, to consider, to reflect, to calculate, and to inquire,—

Mark, Mr. Speaker, he had no time to consider, to calculate, or to inquire.

—our answer is: No, this is not a time for deliberation, this is a time for action. The flood of tide is upon us—

This is the poetical part of it—

The flood of tide is upon us that leads on to fortune; if we let it pass it may never recur again.

I presume he did not want the fortune to pass.

If we let it pass, the voyage of our national life, bright as it is to-day, will be bound in shallows. We cannot wait, because time does not wait; we cannot wait, because in these days of wonderful development, time lost is doubly lost; we cannot wait, because, at this moment there is a transformation going on in the conditions of our national life which it would be folly to ignore and a crime to overlook; we cannot wait, because the prairies of the Northwest, which for countless ages have been roamed over by the wild herds of the bison, or by the scarcely less wild tribes of the red man, are now invaded from all sides by the white race.

These are eloquent, and poetic sentences, but there is not a word of business in the whole speech from beginning to end. He was cheered by his enthusiastic followers, as never before, and yet in the whole of that speech there is not to be found a single word of business sense to demonstrate to the people of Canada the kind of road they were undertaking, the kind of country through which it traversed, and the probable amount of the expenditure to be entailed? When the right hon. gentleman initiated his project, these things were held by him to be trivial, and so the country was launched into an unnecessary expenditure of millions and millions of dollars.

And when the right hon. gentleman was asked in regard to the expenditure, his answer was: 'it will cost $13,000,000, and not one cent more.' As my hon. friend from Calgary (Mr. Bennett) reminds me: it was not a time to calculate, it was not a time to pause, it was not a time to deliberate; it was a time to get through the House a project, calculated to carry the general election with which the right hon. gentleman was face to face, and in which his party had some unenviable records to live down. It was a policy, probably a most useful policy, by which the right hon. gentleman's friends, the Liberal party, could get the sinews of war, upon which to appeal successfully, if not to the people of the country, at any rate to the interests, and to the cupidity of their followers. The right hon. gentleman went on to speak in general terms, and I quote from page 7660, 'Hansard,' 1903:

> We consider that it is the duty of all those who sit within these walls, by the will of the people, to provide immediate means whereby the products of those new settlers may find an exit to the ocean at the least possible loss.

The right hon. gentleman was not always so anxious, when a proposition for the construction of a railroad came before Parliament, to rush into it without hesitating and without deliberating, and without calculating; it makes a great difference in the utterances of the right hon. gentleman and his followers which side of the House they happen to sit on when they enunciate a policy. There was once a railway proposition, submitted to Parliament by a Conservative government—and Conservative governments know how to build railways in Canada—and the right hon. gentleman (Sir Wilfrid Laurier) begged the Government to pause, and to reflect, and to wait. When it was proposed to build a railway from Quebec to St. John, New Brunswick, a very much needed road, and one which would command an abundance of traffic, substantial assistance to that railroad amounting to $170,000 per annum for fifteen years, or a guarantee was announced

In 1895, when the resolution was brought down for this proposition, my right hon. friend moved an amendment which I commend to the House in contrast with the eloquent words which I have just read, and which fell from the lips of my right hon. friend, indicating that time, the great enemy of mankind, would not wait for the proposition he was then placing before the House. The amendment which my right hon. friend moved, and which will be found in 'Hansard' of 1885, on page 3257, is as follows:

> In the opinion of this House additional surveys are requisite in order to a sound decision for a short line of railway, and it would be premature to adopt any line before further surveys have been made.

I commend my right hon. friend's amendment to him now.

Sir WILFRID LAURIER: It was voted down.

Mr. BOYCE: It was voted down, because in that case there happened to be surveys and information before the House at that time. My. hon. friend (Mr. R. B. Bennett) reminds me that the railway was built in fifty-five months.

In 1903 my right hon. friend, when introducing a measure which will cost this country upwards of $200,000,000, would not wait for surveys, for any information in order to ascertain the cost; in 1885 when there was a short line of railway to be built, my right hon friend, being in opposition was very cautious indeed, and wanted the most accurate surveys made and all information requisite to a sound decision upon the question. Almost word for word with the principles contained in that amendment was a resolution moved in this House by the then leader of the Opposition, the present Prime Minister, that details and surveys and calculations and deliberations were fully in order to insure a sound decision upon the question of the Quebec-to-Moncton section. My right hon. friend ignored that appeal entirely and committed this country to the onerous burden now laid upon it, namely, the building of a road, the utility of which at any rate as to one section is in very grave doubt, and in financing which, this country will be saddled with the burden for a great many years to come. Upon my right hon. friend and his party must rest that stigma and that stain. Upon him and his party must rest the blame for plunging into a work so gigantic without any consideration of the immense cost, the immense issues and burdens involved. Upon him and his party must rest the whole blame for the findings contained in that report, and the responsibility cannot be and will not be shifted, in the judgment of this country, by what is contained in the amendment offered by the hon. member for South Renfrew.

With regard to figures, let us see what the various estimates were. Mr. Fielding's estimate of $61,415,000 stood for some considerable time. In 1908 further estimates

were made—and I understand that the hon. member for South Renfrew disclaims any responsibility for any estimates given in this House, or for any attempt to mislead. In fact, he claims that he is not responsible if the actual cost exceeds his estimates. In April, 1908, a question was asked of the then Minister of Railways, the Hon. Geo. P. Graham, as follows:

1. What contracts and what mileage, and the price at which each have been let, upon the eastern and western sections of the Grand Trunk Pacific railway?
2. What is the date of each contract, and the period set for completion?
3. What is the estimated cost of the unlet portions?

His answer was:

Contracts have been let on the eastern division of the Grand Trunk Pacific railway, on schedule rates.

The total amount of the estimate on which the contracts were let, as furnished to this House in 1908, by the then hon. Minister of Railways, now the hon. member for South Renfrew, who offers this amendment, was $44,389,293.01; in addition, he stated, as to the portions not then let, that the estimated total cost was $19,030,173; making a grand total of the estimated cost on which contracts had been let, and on which they were not let, of $63,419,293.01. There was some margin in that estimate, which was supposed to cover the whole cost of construction of the main line from Moncton to Winnipeg, including $5,011,346.50 for the Quebec bridge. In 1911, another estimate was given by Mr. Lumsden, amounting to $108,729,900, not including terminals. On the 18th of April, 1913, another estimate was given by Mr. Gordon Grant, chief engineer of the road, amounting to $161,307,800, made up as follows: Value of the work done to December 1, 1912, $127,219,863; value of the work required to complete, $34,087,937. There is a most astonishing divergence in regard to the amount required to complete, between the estimate given in 1908 by the then Minister of Railways of $19,030,173, and Mr. Gordon Grant's estimate in 1913 of $34,087,937. I will not weary the House with details as to how these estimates were made up. I simply quote what I have, to show that none of these hon. gentlemen were able, at the initiation of this scheme or during the time it was under consideration, to give to this House any definite reliable information with regard to the burden they were imposing upon the country. It became necessary for some inquiry to be made. The commission was issued, the amount has been found out, and that amount, exceeding $200,000,000, is appalling enough to stagger the people, and certainly to paralyse the faith of the people in the right hon. gentleman and his party.

What defence does the right hon. gentleman offer? Does he say, or suggest, that if, in 1903, when he brought this measure down to the House, he had stated that it would cost $100,000,000 of the people's money, he would ever have received the endorsation of the people in 1904? I say, he would not. Had he said that the project would cost $150,000,000, they would have thought he was insane. But had he told the people plainly that the cost might be as high as $200,000,000, I am at a loss to express the view the people of Canada might have taken of his sanity. I do not think for an instant that he would have been returned to power in the election of 1904.

Now, what was the reason this railway project could not wait? The Minister of Railways of that day suggested that it was by reason of a financial gentleman who was deeply interested in the matter—that he could not wait and therefore time could not wait. But there is one outstanding fact —and I see my hon. friend from Red Deer (Mr. Michael Clark) smiling—that the right hon. gentleman—

Mr. MICHAEL CLARK: I always like to hear a Yorkshire man talk.

Mr. BOYCE: I suppose because it is free trade talk.

Mr. CLARK: I mean it.

Mr. BOYCE: The right hon. gentleman (Sir Wilfrid Laurier) would not wait, because, he said, time would not wait. But the evidence furnished from what has followed in the case to all those who read the report and consider the history of the road that it was the exigencies of the Liberal party in Canada that would not wait, that the contractors, or possible contractors, those who were collecting campaign funds, those who realize that elections under hon. gentlemen opposite required to be 'greased' by something in the way of finance, would not wait. There was also urgent necessity for an issue upon which the Liberal party could carry one more general election. I should like to ask my hon. friend from South Renfrew (Mr. Graham), in view of the statement made on the introduction of this measure by the right hon. leader of the Opposition, how the country is going

to be provided, as he said, with cheap freight rates on this line. The Grand Trunk Pacific will have to pay a rental, according to the figures now before the House, of something like $6,000,000 per annum on this line from Winnipeg to Moncton. How are the benefits to be given to the farmers about which my hon. friend from Red Deer and others are always talking, when this charge must rest upon the traffic as a result of the extravagance, wantonness and recklessness which have attended the construction of this road? I should like my right hon. friend also to consider this: suppose he had paused, and deliberated, and calculated, with regard, for instance, to the immediate construction of the Quebec and Moncton section of the road—which construction was objected to in 1903 and has been objected to ever since as being absolutely unnecessary, because it parallelled the Intercolonial railway and would draw traffic from that railway to the injury of the people whose property it is—suppose the construction of the Quebec-Moncton section had been left to the end, what would be the result now? Would the right hon. gentleman, as leader of the Opposition, have stood in his place and advocated the building of that road, now? I say, no, the right hon. gentleman's speech in support of the construction of this part of the road would not be delivered now. One could fancy the eloquent periods of the right hon. gentleman denouncing such a scheme if it were proposed by this Government, as being an extravagant transaction, involving the expenditure of thirty or forty million, and perhaps he might have insinuated that there was a corrupt and insidious design behind it. But what is the position now? The Quebec bridge has fallen down—now. The rails of the Quebec-Moncton section are rusting—now. The track is overgrown with weeds, and trees are growing on it—now. Thirty-five millions of dollars have been spent on that section—now. And yet we were told in 1903 that time would not wait in order that there might be deliberation, that there might be investigation, that there might be calculation, to ascertain whether that project was necessary in the interest of the people. We were committed to it, and $35,000,000 has been wasted on it—now.

Sir, the project of a national transcontinental railway is of vast importance to the people of this country. It is of the utmost moment to the people and to those financially interested who have provided the money for the purpose of the Grand Trunk Pacific scheme as distinguished from the Transcontinental, to know where this money has gone to. In this report the House has been given an indication as to where some of it went. And my right hon. friend the leader of the Opposition knows where some of that money went—and winked at its going in that direction. He knows perfectly well that in connection with the section in my own riding, the section running through Algoma, there was a divergence, an appropriation, or at any rate the 'reception' of the large sum of $740,000, which by holding up his little finger he could have stopped from going into the pockets of a contractor and into the construction of the road, and could have kept in the treasury of this country. My right hon. friend cannot deny that. It is a melancholy truth that my right hon. friend, when confronted with the facts set forth in this report, even if it be made by partisan commissioners, cannot get away from the fact that, as Prime Minister of Canada, he had the opportunity to prevent the sum of $740,000 from going into the pockets of a contractor and being lost to the country, and that he never lifted his finger to do so. On August 2, 1909, the president of the Grand Trunk Pacific Railway Company, a corporation vitally interested in the exercising of economy in the construction of this road, because it had to pay rental upon the capital invested, wrote to my right hon. friend as Prime Minister, pointed out what was going on, and implored him to take such action as would prevent this unnecessary loss. Let me read this letter, and then let my right hon. friend say to this House and to the country what he did to prevent that outrageous transaction which involved the loss of three-quarters of a million dollars: then and not till then will he satisfy this House and the country that as Prime Minister he did his full duty to the Canadian people, at any rate with regard to that particular item of extravagant waste, if not dishonest appropriation, which was actually brought to his attention in writing at that time. This is the letter:

My dear Sir Wilfrid,—On the 29th day of October, 1908, the National Transcontinental Railway Commissioners awarded two contracts for the construction of about 204 miles on sections 'D' and 'E' of the National Transcontinental railway. The first section starting on the west end of Fauquier Brothers' Abitibi contract, in the province of Ontario, about 100 miles west of Cochrane, for a distance of 104.24 miles; the second contract commencing at the terminations of the first and joining Fauquier Brothers' contract north of lake

Nipigon, a distance of 100 miles. By the terms of these contracts the work was to commence immediately after the execution of the agreements to be proceeded with continuously and diligently under the personal supervision of the contractor until completed, the date of completion being 31st December, 1910.

This work is remote from rail transportation, the closest point being 100 miles west of Cochrane. The prices at which the work was awarded were very high and consequently sufficient to allow contractors to build tote roads or some other means of transportation and getting in supplies so as to immediately commence work. To the best of our knowledge no attempt has been made as yet to open this work, and the indications are that while the work, as before stated, was let at very high prices on account of the difficulties of transportation, it is now the intention of the contractors to haul their material over a portion of the Fauquier Brothers' work track, on which will be completed the present season, say about 50 miles, and haul along right of way to their own section 50 miles distant. This delay will add largely to the profits of the contracts with no commensurate advantage so far as the National Transcontinental railway is concerned, and under the circumstances I will ask that the Government arrange for the cancellation of existing contracts and ask for new bids which can undoubtedly be obtained on very much reduced schedule prices,—particularly so if it is known that the contractors will be enabled to haul their material and supplies over such portion of Fauquier Brothers' work as track has been laid upon.

That is the appeal which was made to my right hon. friend in writing by the president of the Grand Trunk Pacific Railway Company, and it was an appeal that ought to have received instant attention at his hands. Does the report say that the right hon. gentleman replied to this letter, or acted upon it? I ask my right hon. friend to tell the House, in justice to himself, and in justice to this country, of the Government of which he was then leader: did he reply to that letter, or do aught to prevent the loss of that money to the country, or did he sit quiescent? Did he do nothing more than turn the letter over to the Hon. S. N. Parent, the chief commissioner, from whom he received a reply which was certainly not logical, certainly not reasonable, and certainly not in accordance with business principles? Nothing was done; the contract was in default, and under its own terms could have been cancelled; the work had not been commenced within the proper time, and it was impossible to finish it within the time fixed for completion. That being the case, outside of the charge of the hon. member for South Renfrew that this commission was a partisan commission, no other conclusion is to be derived from this letter and from my right hon. friend's silence than that he sat quiet and winked at a contractor who was using the leverage he obtained through his friendliness with the Government to make a profit of $740,000 out of that contract without turning a spade or risking a cent himself. This is a part of the responsibility that my right hon. friend as leader of the Opposition has to bear in connection with this matter. I might enunciate other matters which are referred to in the report in detail, but they are based upon evidence which speaks for itself. I am referring to these in particular in order to point out that when the right hon. gentleman stands up to vote for this resolution he will be doing a little bit more than attempting to substantiate the assertion that the commissioners who ascertained those facts, who found that letter and published it to Canada and to the world, did so because of their being political partisans. My right hon. friend will have to explain that transaction; the fact that he stands up and votes for this resolution will not be sufficient, in the eyes of this House and of the people of this country, to justify what may at least be characterized as an omission on his part of very serious moment, which visited a very heavy loss upon the people of this country.

It is stated as one of the findings of this commission that an amount of $40,000,000 has been wasted, and the reasons why this assertion is made, together with the amounts in detail, are included in the report and are supported by the evidence and exhibits which are submitted. $40,000,000 has been wasted, exclusive of the $35,000,000 which it cost to build the Quebec-Moncton section of the road, the rails of which are now rusting and overgrown with weeds and trees: $75,000,000 lost between 1904 and 1914 by political blundering and political mismanagement so great as to shock the conscience of the commercial world. And yet my right hon. friend has nothing to say even when I implore him—as no doubt he has been implored before—to rise in his place and at any rate disclaim any responsibility in connection with the matters so fully and cogently set forth in this letter with regard to the Davis contract.

I want to ask what the Liberal party, the alleged party of progress, is going to do about this matter? They are confronted with this appalling loss to the country of $75,000,000, the loss of which is attributable to misrepresentation of the circumstances from the beginning, to crass ignorance, and to a long course of extravagance and wasteful expenditure, to dishonesty and fraud connived at, concurred in, and concealed by

the late Administration, and now sought to be condoned in the eyes of the House and of the country. But wait till my right hon. friend goes to the people and tries to condone it before them. He will get little real sympathy from the people of Canada on a matter that so vitally concerns their interest. Investigation after investigation was demanded from my right hon. friend across the floor of this House, but was always refused. In the election of 1908, after there had been repeated warnings with regard to the colossal nature of this blunder, after there had been a lifting of the lid to show how unsavory was the condition of things underneath, my right hon. friend went to the country as much upon the issue of the National Transcontinental railway as upon any other policy. And what was his slogan: 'Let Laurier finish his work.' In 1911 when my right hon. friend was promulgating throughout this country his policy of reciprocity with the United States, the unquestioned and immediate result of which would have been to make the rails on every mile of the Government section of the Transcontinental railway grow rusty and become overgrown with weeds, what was his slogan? 'Follow where the white plume leads.' But now, when my right hon. friend is confronted with the actual findings of this commission, supported by the evidence and documents contained in this report, when he is confronted with the appalling results of what he led this country into by his speech in 1903, my right hon. friend, I fancy, will realize that Nemesis has overtaken him at last, and like Richard on Bosworth Field, harrowed by his dreams and haunted by his conscience, his slogan will no

5 p.m.

longer be: 'Let Laurier finish his work,' or 'Follow where the white plume leads,' but his plea will be: 'A horse! a horse! my kingdom for a horse.' Two steel ribbons stretch across this country upon which are written the policies of the two parties; and a study of the conditions under which both were initiated and built, the people of Canada are in a fair position to draw a contrast between these two parties. When the Bill to assist the construction of the Canadian Pacific railway was brought down in this House, hon. gentlemen opposite, then occupying seats to your left, Mr. Speaker, hurled their anathema maranatha at the project. They said it would not pay for its axle grease: that it was reaching out to a wilderness of mountains in British Columbia; that it would not be a profitable undertaking for this country; and they voted against it. But the road was built, and by the building of that road, which to-day is maintained the main artery through which throbs and pulsates the commercial energy of this country, Canada has become a great country and is now in a position to realize all the attributes of its greatness and to throw its vast resources open to the wide world. But take the division of the Transcontinental railway, stretching from Moncton to Winnipeg, built by the late Administration, and what political record is writ along that ribbon of steel to the credit of the party represented by hon. gentlemen opposite? In the one case we have a railway the building of which made Canada a nation. Hon. gentlemen opposite cannot deny that, and they cannot deny that they opposed it. On the other hand we have a railway which was begun in haste, perpetuated in ignorance, recklessness, and wantonness of expenditure, and which results in the loss to Canada, whether by dishonest means or otherwise, of $75,000,000—a road, a portion of which is of very little use to this country if it is not a discredit, and which will entail a loss every year. Canada has to stand the loss that was entailed by my right hon. friend's measure. Canada can stand the strain of a loss of $75,000,000; Canada's credit is of the highest; her resources are boundless, and in the eyes of the world she ranks as the first in the galaxy of nations composing the British empire. But the eyes of the world have been opened, and so long as these facts are before them the people of the world will take knowledge of the two great parties in Canada, of their history, of their failures, and of the worse than failure, of the Liberal party. When the people of Canada have again the opportunity to pass judgment upon the parties and upon the record which is written across the land, if it were only in these two lines of steel, the people will demonstrate that they have had their lesson and that they know now which is the party of progress and which the party of opportunism and exigency. The railway policy of the Conservative party has made Canada great. The railway policy—the only railway policy—instituted by the Liberal party under the Government of my right hon. friend as Prime Minister, has placed upon Canada one of the darkest stains and blots that could possibly be placed upon the fair escutcheon of so fair a country. Never again, I venture to assert, in face of this report, can they be cajoled or persuaded to 'follow where the white plume leads.'

or to allow the right hon. gentleman to finish that kind of work.

Without entering into the details of the matter which has occupied the time of this House so long, and upon which the judgment of the country must be passed whenever the country has an opportunity of deciding as between the records of these two great parties, I can only say that, irrespective of any criticism that has been hurled at this report by the hon. member for South Renfrew, there remains in it the history of a party which sacrifices everything, Canada's credit, the money of the people—everything—to the exigencies of party politics.

Hon. FRANK OLIVER (Edmonton): Mr. Speaker, there are many remarkable features to this debate and to the occasion of it, but the longer the debate continues the more strongly the feature is emphasized that a government and a party are being condemned for having done a work well. I think this is the first time that I have happened to hear criticism advanced from that standpoint. I have heard and read on many occasions charges that a government has completed a work inefficiently and that, as a part of the purpose of that inefficiency, there was an improper appropriation of public money. This debate, based on this report, is almost unique in that every word and line of the report, and every word of the debate, has emphasized the idea that Canada has received at the hands of the late Government a great constructive enterprise of the highest possible standard and that in the construction of that enterprise there is no suggestion that a dollar of the people's money went to private or party interests. It will be within the memory of the members of the House that only a few days ago the hon. member for Carleton, N.B. (Mr. Carvell), brought up the instance of a piece of road —I think it was thirteen miles in length— built by the present Government, in which the country was despoiled of $26,000; and the suggestion was made—and it certainly was not refuted—that this extra expenditure had been made for the distinct purpose of influencing the result of a by-election in the locality. Contrast this record and that—over $100,000,000 of money spent and not one dollar gone to party purposes or private ends, so far as this report, or the debate upon the report, has gone to show; on the other hand, a railway thirteen miles long, and $26,000 gone straight and direct to party purposes and for private benefit.

Mr. J. D. REID: That is not a fact.

Mr. OLIVER: I can only say that the facts were presented to us by the hon. member for Carleton.

Mr. REID: And they did not lead to that conclusion.

Mr. OLIVER: There was no other conclusion to arrive at, and there was no contradiction made of that conclusion.

Mr. REID: Oh, yes, there was.

Mr. OLIVER: It will be the opportunity of the acting Minister of Railways and Canals in due course to take up that question and deal with it.

Mr. REID: The facts stated by the hon. member for Carleton were not borne out. We are going to have an investigation to find out what truth there is in his statement.

Mr. LEMIEUX: The hon. member for York (Mr. McLeod) corroborated the statement of my hon. friend from Carleton.

Mr. OLIVER: I think that the statements of the hon. member for Carleton were substantially corroborated by the hon. member for York. I am willing to leave it at that. It is for the Government to make a proper investigation of the case. When the hon. member for Carleton asked that a royal commission be appointed to investigate the case, no response to his request or reply to his statement was made by the Government.

Mr. REID: I may say, for the information of the hon. gentleman, that a commissioner has been appointed to hold an investigation.

Sir WILFRID LAURIER: When?

Mr. OLIVER: I am very glad to hear it.

Mr. REID: Only a few days ago I signed the Order in Council.

Sir WILFRID LAURIER: Who is he?

Mr. REID: Mr. R. A. Pringle, K.C., has been appointed to hold an investigation. I cannot say whether the Order in Council has gone through, but I think it has. It is several days since I signed the order.

Mr. OLIVER: I am sure the House is very glad to hear that the minister has seen fit to take the action which was suggested, and I wish to congratulate him upon his having done so.

Mr. REID: The only difference between my action and the action of hon. gentlemen opposite is that they did not have an investigation when it was asked for several years ago in this House.

Mr. OLIVER: There was nothing to investigate, and the evidence contained in the report upon which the present Government has spent over $60,000 of the people's money and the hard work of two of the best and most capable men they could get, has resulted in proving that there was nothing to investigate. I am glad that the hon. gentleman has taken the action he has taken; it is undoubtedly to his credit and that of his Government. The facts as brought out in the House were a substantial warrant for such an investigation. I will leave the matter at that. We have these two instances, $100,000,000 expended on the one hand and a paltry twelve or thirteen miles of railway built on the other and the Government could not get out of it without the appointment of a royal commission.

Those of us who were in the House in 1903, and who have the good fortune to be in the House to-day, will recognize that the discussion by hon. gentlemen opposite is an echo of their attitude in 1903, when they were in Opposition. The line of thought which runs through their speeches from beginning to end is, that there should not be effective railway competition with the Canadian Pacific railway. That, and only that, is the burden of their argument. Just as in 1903 they fought the proposal of the Right Hon. Sir Wilfrid Laurier to give competitive railway service and development to the four western provinces —fought it from early summer until the snow flew, in the interests of railway monopoly in these provinces—so, to-day, by the use of the report of a partisan commission and by their arguments in this House, they indicate a determination that the Government now in office is prepared to break the back of the only enterprise in sight that can give these four western provinces effective railway development and competition.

I shall recall the conditions as they existed, and which called imperatively for the inception of this enterprise. We had had railways in those Western provinces from 1886, and it was then 1903. For seventeen years therefore we had railway facilities in the western provinces, but with these railway facilities we had a condition of railway monopoly; and the facts are evidence that there could not be satisfactory progress and development under such monopoly. The belief of the people in the western country at that time was that they were farming on shares with the Canadian Pacific railway; they had one bushel and the railway had the other. It is true that there was plenty of railway accommodation for the people who were there to use it, but so long as there was railway monopoly, so long was there not going to be any more people to use railways. I shall give the House some illuminating figures from the report of the Department of the Interior. In 1878, when the Conservatives came to power, there were 1,788 homestead entries in the three prairie provinces of the West. In 1886 the Canadian Pacific railway was completed, so that we had railway facilities, and in 1890 the railroads to Prince Albert and Edmonton were built. In 1896 the total homestead entries in these prairie provinces was 1,857, an increase from 1878 to 1896 of less than 100, under a condition of railway monopoly, and I must admit also on account of bad administration on the part of the Government then in power in regard to the public lands, and in regard to tariff matters. With the access to power of the Liberal Government; with the change in the land policy, in the immigration policy, and in the tariff policy, there came an increase of settlement, so that in 1901 the homestead entries amounted to 8,167, a substantial increase, although the system of railway monopoly still prevailed. It will be remembered, however, that there was, owing to the action of the then Liberal Government, a substantial decrease in railway rates, as a result of the arrangement made with the Canadian Pacific Railway Company on the construction of the Crowsnest Pass railway. Lower railway rates, better land administration, lighter tariff burdens on the people, general confidence in the good will and in the good faith of the Liberal Government, had induced increased settlement on the prairies. The increase became greater from year to year, until in the year 1903 there were 31,383 homestead entries in the three prairie provinces. The country, which had stood still from 1876 to 1896, had now clearly taken a start in progress. The Government of the day realized the position; they saw that something must be done to take care of that enormous increase of homesteaders; and the enormous continued increase it was reasonable to expect would

take place. It was because of appreciation by the Government of the day of the necessity of meeting that condition of progress, which had arisen because of their policy, that, looking to the right and looking to the left, they saw that there must be railway development in the western country, and they saw that if that railway development was to be effective it must be competitive development. And so the Grand Trunk Pacific arrangement was made. That was the reason for it, and the purpose of it was competitive railway development in the three prairie provinces. As such, it was opposed by the Conservative party of that day, led by the present Prime Minister, and fought in this Parliament, as I have said, on every conceivable ground, from early in the month of July until the snow flew.

So successful was the Opposition in delaying the signing of the agreement that the favourable condition of the money market existing in 1903, upon which the Government and the country depended for carrying the project through on the terms agreed upon, had changed, and in 1904 it became necessary to bring in a new agreement less favourable to the country, absolutely because of the work of the Opposition of that day in fighting in the interest of railway monopoly in the prairie provinces, just as hon. gentlemen opposite are fighting to-day for monopoly in railway transportation in those provinces. Just as soon as the people of the world saw that there was to be railway development and railway competition in the West, they were satisfied to take chances, and they rushed in; and the homestead entries continued to increase year by year until in 1911 they reached a total of 44,479, because of the confidence of the people in the good faith of the Government of the day to ensure and secure railway competition and railway development throughout those three prairie provinces, with access to the Pacific coast. As soon as hon. gentlemen opposite came into power, they at once showed their continued hostility to the Grand Trunk Pacific project. They appointed their investigating commission. They insisted upon the degrading of that part of the road under their control. I am bound to conclude that the administration of the lands has not been as satisfactory under the present Government as under the late Government, and that, generally speaking, there is not on the part of the people that faith in the good will of the present Government towards the settlers that there was in that of the late Government. As a result we find a decrease in the homestead entries. Whereas in 1911 there were 44,479 homestead entries, in 1913 there were only 33,699, a decrease of over 10,000 in two years.

It might be interesting to follow the course of land sales in the prairie provinces. In 1893 the different railway companies who had been given grants of land sold 120,000 acres at $2.93 an acre. In 1895 they sold 114,000 acres at $1.94 an acre. That was what land was worth in those provinces at that time. In 1903, corresponding with the natural increase in homestead entries, there was an enormous increase in land sales, so that 4,229,000 acres of land were sold at $3.46 an acre. In 1911, showing how the confidence of the people in the value of land in the prairie provinces kept up so long as they were assured of competitive railway development, there were sold 1,406,000 acres at $13.59 an acre; in 1912, there were sold 1,329,000 acres at $13.70 an acre; and in 1913, as a result of the second year of the present Administration there were sold 707,000 acres at $13.95 an acre, showing that, while the price of the land has not gone down, the demand for purchased land has decreased just as the demand for homesteads has decreased.

I need not enlarge on the point that in a country of such stupendous distances as Canada, the question of transportation must naturally be a great question. Production is first; transportation is second; but production cannot succeed without transportation on satisfactory terms. Therefore it is not necessary to argue that if we are going to make the prairies of the West produce, we must secure transportation of the products to the markets of the world. On that point let me dwell for a moment as to the amount of production present and prospective, resulting from transportation facilities. In 1901, only about 2,500,000 acres of land were under cultivation in the prairie provinces. In 1911 we had something less than 18,000,000 acres under cultivation, and there has been practically no increase since. At the present time we have something less than 18,000,000 acres of land under cultivation alienated in those provinces. We have of the land of the people of this country not less than 150,000,000 acres. This 150,000,000 acres is all surveyed and largely selected land; so we are bound to assume that we have 150,000,000 acres of land in the prairie provinces capable of development, and of

that amount we have only 18,000,000 acres actually under cultivation. From that acreage we have taken about 450,000,000 bushels of grain. We have furnished traffic for many thousands of miles of railroad, and it has not been unprofitable traffic. If we have such results from 18,000,000 acres, surely the possibility of bringing under production the balance of the 150,000,000 acres should be an inspiration to the members of the Parliament of Canada in regard to projects of transportation. We cannot bring the balance of the 150,000,000 acres under cultivation unless we can market the products of what we have under cultivation under favourable conditions as to transportation facilities.

Besides the 150,000,000 acres we have disposed of, we have at least another 150,000,000 acres capable of being made productive. We are not at the end of our possibilities when we have developed 150,000,000 acres; we are then only half way to our limit of development. I will admit that the bringing under cultivation of the second 150,000,000 acres of which I speak is a much more serious matter than of the 150,000,000 acres of prairies that has been alienated. But still, as to soil, as to climate, as to conditions, it is all capable of reclamation and development. And yet our friends opposite are attempting to alarm Canada because there has been a large expenditure in developing transportation facilities under conditions that are an absolute necessity if that development is even measurably to be achieved.

I am not going to disregard or ignore the necessities of the treasury; I should be sorry to advocate waste in any degree. But if it is true that the Transcontinental railway has cost, or will cost $200,000,000, yet if by that expenditure we are able to do for the development of the Prairie West what could not otherwise be done, then it is a wise and economical expenditure, beyond any question. Hon. gentlemen opposite are spending money for transportation facilities. They are spending $50,000,000 in deepening the Welland canal. Will they count the interest on that from to-day until some time in the distant future for the purpose of alarming the people of Canada as to the cost of that great work? Surely not. Yet, for whom is the Welland canal being deepened? It is being deepened for the glory of Canada, but, in some degree, we hope, for the benefit of Canada. But it is being deepened just as much for the benefit of the transportation and production interests of the United States as for those of Canada. Surely, these hon. gentlemen who glory in the fact that they are spending $50,000,000 in a transportation enterprise which will be at least half for the benefit of that country with whom they do not wish truck or trade, are not the people to complain because there is an expenditure of $50,000,000, or $100,000,000 if you like, in the construction of a line of railway that is located solely within Canada for the benefit of Canada, not only in the production of its wheat fields of the prairies, but just as much for the development of its trade passing through its own ports on the Atlantic seaboard. And without such a road there could not be adequate development either of the prairie wheatfields or of the Atlantic ports.

I have said that the increase of production in the West depends upon the possibilities of production—upon the conditions of soil and climate, the cost of the land, the cost of living of the man who works the land, and the cost of the machinery with which he works the land. But it depends also upon the cost of getting the product to the market. Now, in regard to that question of marketing the crop, before the Grand Trunk Pacific project was instituted, and since that time, there has been almost every year in the West what is called a grain blockade. Our grain, on being harvested, was sent forward to the head of the lakes, and as much of it as could be transported across the lakes during the same summer was so transported. The rest remained on the farmers' hands or dealers' hands or in the terminal elevators until the following spring. That means that under conditions that then prevailed it was the business of every farmer to get his grain out in the fall. By doing so he not only saved interest on money he may have owed, but he saved the carrying charges on that grain until the next spring. The elevator charges are one cent a bushel a month, so upon every bushel of grain that was held in the country there was a loss to the producer of a minimum of five cents. But besides that, in the rush, the attempt of every man to get his grain marketed in order to save that five cents, there ensued year after year a condition of grain blockade which increased the loss, because the buyer, unable to get the grain he had brought forwarded to the lakes because of the shortage of cars, had to discount the possibility, and hammered down the price

accordingly. So that at the least, the farmer who did not get his grain forwarded in the fall lost five cents a bushel for storage charges, and if he were compelled to sell he possibly lost five cents more on account of the condition of blockade which existed before the close of navigation. Suppose a crop of 100,000,000 bushels, of which 50,000,000 could go forward in the fall of its growth, and figuring that 50,000,000 must remain behind, there would be an absolute loss of 5 cents a bushel on the second 50,000,000 bushels, with a possible loss of 10 cents a bushel on the whole or a part, according to the more or less serious character of the blockade. So there would be a minimum loss of $2,500,000, and a possible loss of $5,000,000 or even more—as we certainly had in the year 1911. Now, there is only one cure for that condition, and that is to have railway transportation from the wheat fields to the ocean ports all the year round. But, you may say: This last year you had not any grain blockade, you had the largest crop you ever had, and yet the railways were able to handle the crop, and it went forward without any blockade to the lake ports, in fact three-fourths of the marketable crop found the world's market before the close of navigation. If those conditions were repeated every year there would be no need of talking about a blockade. The conditions were exceptional last year; the crop was early, with light straw, easily threshed, there were favourable weather conditions and the railroads were more fully equipped than they ever had been before. But, it will be said, another year may be just as good; why do you argue that there must be rail communication with the western wheat fields all the year round when by existing facilities you get your grain out without the difficulty and loss of blockade? Here is the condition that we face now. Our production has increased greatly; our export last fall was 90,000,000 bushels, the larger part of which was thrown on the Liverpool market within three months, the result being that the price of Manitoba wheat was hammered down from three to six cents a bushel. So that we now have a new condition; we have overcome a blockade, but we are as badly off as ever, for with our enormous production thrown on the market at one time the price is hammered down and the loss is practically the same as in the case of the grain blockade. There is the condition: we lose by reason of storage if the grain does not go forward; we lose by reason of blockade if the car supply is short, and we lose by reason of the depression of the world's prices if every condition is favourable. Again I say there is only one remedy for this, and that is rail communication from the wheat fields to the Atlantic ports, so that the grain can be sent forward as the market demands, and so that there shall be no grain blockade, no payment for winter storage, and no slackening of the world's prices. Say we shipped 90,000,000 bushels last fall, and that one-third of it went forward without injuring the world's price; I have it on the best of authority that on at least 60,000,000 bushels of our crop of last year the farmers—because it all comes back to them—lost from four to six cents a bushel because of that wheat being thrown on the Liverpool market within a very short space of time. That is to say, the farmers of the West, in this year of hard times, lost $3,000,000 in cold cash because of that condition. It was to overcome that condition that this Grand Trunk Pacific enterprise was placed before the people of Canada as it was, in the year that it was, and with all the needs and the urgent conditions that were set out in the speech of the right hon. the Prime Minister of that day. Every word and every line of that speech has been justified and more than justified by the events since that time.

We had a line of railway between the wheatfields and the Canadian Atlantic ports, but it was a matter of railroad knowledge and it was a matter of business knowledge that that railroad was so constructed that it could not handle the crop at a profit to both the railroad and the producer. The distance was too great, the grades were too heavy, the curves were too short. If that crop of the West is to be handled as it should be handled, by rail carriage all the year round, then it must be by some other railroad built on the shortest line from point to point, with the lowest possible gradients and the slightest possible curves, so that there shall be the least possible distance to cover and the lowest possible cost in covering that distance. It may be that, after all has been done, the purpose still may not be achieved, but it was the business of the Government of that day, or of any day, to use the resources of the Dominion of Canada according to their best judgment, in whatever amount was necessary, in order to achieve that result. My hon. friend who has just spoken, and the same assertion has been made and repeated by other speakers, said that this project was presented to the House before there

was sufficient information with regard to the country that it was to go through. I can only say that the last rail has been laid between Winnipeg and Moncton and it is a fact that the distance of the rails between those cities is the shortest that could be obtained. It is a fact that between Winnipeg and Quebec there is not a gradient over the maximum allowed by the agreement, except where this Government, for the purpose of destroying the object of the road, has deliberately and contrary to the agreement with the Grand Trunk, put in such grades.

I am under the impression that there is a general belief that the late Government set out to do the impossible when they undertook to build a line from the wheatfields to the Atlantic ports that would compete with the lines to United States ports, and that such a line would be impracticable for the economic carriage of grain. Just on that point, allow me to give the figures. From Winnipeg to St. John by way of the National Transcontinental to Chipman, allowing seventy-five miles from there to St. John, which is the actual rail distance, the distance is 1,825 miles. It is eighty miles shorter than the Canadian Pacific railway route from Winnipeg to St. John; sixty miles longer than the Canadian Pacific railway route from Winnipeg by way of Montreal to Boston, one hundred miles longer than the Grand Trunk and Grand Trunk Pacific railway routes by way of Winnipeg, Cochrane and Montreal to Portland, fifteen miles longer than via the Grand Trunk to Montreal and New York. While it is true that there is some disadvantage as far as the route to Portland is concerned, the Transcontinental is still within competitive range; on a distance of 1,800 miles, one hundred miles more is not such a tremendous difference. When in addition to the facts as to mileage you take into consideration that on every mile of the 1,825 miles of the Transcontinental a load can be hauled at an absolutely minimum cost, and that it is the only road of that class that reaches any of these ports. I think it will be admitted that so far as competition is concerned, we have certainly provided an efficiently competitive railway for the carriage of grain from Winnipeg to St. John able to compete with the route to any American port, including Portland.

At six o'clock the House took recess.

The House resumed at eight o'clock.

[Mr. Oliver.]

Mr. OLIVER: When the House rose at six o'clock. Mr. Speaker, I was giving the distances over the eastern section of the National Transcontinental railway from Winnipeg to St. John and comparing them with the distances from Winnipeg to United States ports by way of the Canadian Pacific railway and the Grand Trunk railway. From that statement it was apparent that the distance was somewhat greater to St. John than to Portland, Boston and New York. It is a fact, however, that a moderate difference in distance does not control the direction of freight traffic, as can be seen in the case of the Canadian Pacific railway which hauls wheat from Fort William to St. John although the route is 140 miles farther than the haul would be from Fort William through Montreal to Boston. It shows that railways are not governed absolutely by actual distances. However, leaving that aside, it must be apparent that the distance is greater to St. John than to the United States ports of New York, Boston and Portland. If it were possible to bring Portland, Boston or New York under Canadian jurisdiction, to make these ports a part of the Dominion of Canada, by any means, or at any reasonable expense, that would be one thing that might be done. Another thing that might be done would be to leave matters as they are—leave our Maritime ports and provinces without competitive railway connection with the prairie provinces, practically treating these provinces and ports as though they were not a part of the business life and interest of the Dominion; leave them, as they have been ever since they have been a part of the Dominion, so to speak, on the sidetrack. We may suppose that one of these things might have been done. Failing the possibility of making the United States ports Canadian ports, we take issue with the position of our friends on the other side of the House, as set forth by their statement at the inception of the scheme, and quite as strongly in the debate which has been proceeding in the House during the past few days in support of the specific declaration by their duly appointed commissioners that the section of the National Transcontinental railway east of Quebec should not have been built and that it was a waste of public money to build it. We support and justify the position of the late Government which used the resources of this country to build a line of railway from Winnipeg, by way of Quebec, to St. John

by the shortest possible route and with the best advantages as to grades, curves and improvements in transportation generally. To do that costs money; it costs a great deal of money, but I submit it is worth something to the Dominion of Canada to have our winter ports and our Maritime provinces linked up practicably and profitably by railway connection with the prairie provinces and the Pacific coast. As to the amount of money that has been spent, let it be great or let it be small; if Canada is to be a country all parts must be properly connected so that business can be transacted by one part with the other. By giving railway transportation, as has been done by the construction of the Transcontinental railway, the industries of the Maritime provinces are given access to the markets of the prairies just as the producers of the prairies are given access to the markets of the world through the Martime provinces' ports by the construction of this line on the scale on which it has been constructed, and these provinces, for the first time in the history of the Dominion have become, or will become, part and parcel of the general business of the country.

If it is established, as it is, that we have provided an efficiently competitive route through our own winter ports, as compared with competitive winter ports in the United States, the question arises: can such a route, having been constructed, compete efficiently and satisfactorily with water transportation as it exists at the present time? I know it is taken for granted that it cannot. It is assumed that there is no possibility of rail transportation competing with water transportation as we have it at the present time. This is a matter that will bear some consideration, and first let me disabuse the House of the idea that we get the benefit of the present system of water, or water and rail, transportation as a free gift. Take Winnipeg as the starting point. I find that it costs six cents to take a bushel of wheat from Winnipeg to Fort William. May I say right here, that that is the standard rate upon which all the grain export rates over the whole of the railway systems in the three prairie provinces is based. We get our wheat from Winnipeg for six cents. It costs three-quarters of a cent to clean it, elevate it and store it for fifteen days. It then costs anywhere from two to six cents to take it across the lakes from Fort William to Midland. Six cents, of course, is an abnormal rate. That was the highest point reached in 1912, which was a year of high rates; but let us assume that the rates will range from two to six cents. It may have gone below two cents at some time, but that is rare, and the lower rate need not be considered seriously. At Midland there is another elevator charge of one-half cent, and then there is the rail charge from Midland to Montreal, varying from three to four and one-half cents including the elevator charge at Montreal. It costs us twelve and one-quarter cents to land a bushel of grain from Winnipeg in Montreal. Twelve and one-quarter cents is the minimum charge with the possible maximum of seventeen and three-quarter cents. The recent arrangement in regard to transportation on the upper lakes tends to insure that the purely lake rate will increase rather than diminish.

Mr. J. D. REID: Why?

Mr. OLIVER: Because of the shipping combine. The combine is formed to enable them to raise the rates, and if they do not raise the rates their purpose would fail.

Mr. REID: Another company is being formed.

Mr. OLIVER: This company having raised the rates abnormally, an opening is given for another company to be formed, but the purpose of this shipping combine on the lakes is to raise the rates to the highest posssible limit, and, therefore, we must look, not for a reduction of the lake rates under present conditions, but rather for an increase. We land our wheat at Montreal, from Winnipeg, at from twelve and one-quarter cents to seventeen and one-quarter cents. I am speaking now about the use of the winter ports, and, therefore we must add five months storage, on that part of the crop that does not go forward in the season of its production; that is, the part of the crop that would be available for transportation by the all-rail winter route to St. John. We have a minimum rate therefore of twelve and one-quarter cents carriage and five cents storage, or seventeen and one-quarter cents on all the wheat that does not come forward in the season of its production. As to the all-rail haul to St. John, the standard rate from Winnipeg to Fort William for the 419 miles is six cents a bushel. I have heard some very finely drawn calculations as to the cost of transportation, but I will take this rate of six cents for the 419 miles, which is the standard rate for the wheat transportation in the West.

Mr. J. D. REID: Is six cents the rate paid last season to the Grand Trunk Pacific and to the Canadian Pacific railway and to the Canadian Northern railway?

Mr. OLIVER: Yes, that is the rate that was fixed.

Mr. REID: By the three companies?

Mr. OLIVER: It was fixed by an arrangement between the Government and the Canadian Pacific railway in 1897, and it has prevailed ever since.

Mr. REID: It is a uniform rate?

Mr. OLIVER: Yes, and on that rate the transportation of wheat throughout the West is based. It is not always the same rate per mile, because as the distance increases the rate decreases, but it is the basis. The distance from Winnipeg to St. John is four and one-third times as great as the distance from Winnipeg to Fort William, and, therefore, at the very most, the charge for hauling grain that distance should not be more than four and one-third times more than the rate from Winnipeg to Fort William, or twenty-six cents per bushel. The rate from Winnipeg to Fort William was fixed when the railroad from Winnipeg to Fort William was in its original low-class condition; the Canadian Pacific railway had not then been improved and double-tracked. That was then considered to be a profitable rate for haul over a railroad that was what must be called a low standard road; the original Canadian Pacific line from Fort William to Winnipeg was built on the standard of that day, when a one per cent grade was considered to be a very good grade.

Mr. WRIGHT: In what way was the Grand Trunk Pacific brought into any arrangement to charge a particular rate from Winnipeg? I understood that when the Grand Trunk Pacific was constructed, the rate would be reduced. Is the Grand Trunk Pacific in any way bound to that fixed rate by an arrangement between the late Government and the Canadian Pacific railway?

Mr. OLIVER: Certainly not; but as my hon. friend knows, all the railway companies are now under the control of the Railway Commission, and they, of course, naturally will charge all that the Railway Commission will let them charge. This original arrangement, between the Canadian Pacific railway and the Canadian Government, with regard to the rate from Winnipeg to Fort William, has been approved by the Railway Commission, and therefore the railways competing over that route charge the same rate.

Mr. J. D. REID: Then there is no competition at all.

Mr. OLIVER: There is no competition at all in rates.

Mr. REID: But they could charge a lower rate if they wanted to?

Mr. OLIVER: Certainly they could, but we are not to assume that they want to, or that they ever will want to; that would be expecting too much. The Grand Trunk Pacific will charge whatever the Railway Commission will let them charge. We instituted a Railway Commission for the purpose of placing a control upon rates, so that they may be fixed with due regard for the investment in the enterprise, and the interest of the customers of the road.

Mr. W. H. SHARPE: Does the hon. member say that the Railway Commission had nothing to do with fixing the rate on wheat between Winnipeg and Fort William?

Mr. OLIVER: That rate was fixed long before the Railway Commission came into existence, but the Railway Commission has approved of that rate as it stands to-day. To-morrow, the Railway Commission may reduce it, but they have not seen fit to do so. At all events, it was possible to carry grain for that distance over the kind of low-grade road that existed when the rate was put into effect. There is evidence that a railroad of the standard of the Grand Trunk Pacific, as specified in the contract between the Grand Trunk Pacific and the Government, has a capacity practically double that of a road of the standard of the Canadian Pacific railway between Winnipeg and Fort William, at the time this arrangement was made. The Grand Trunk Pacific could haul wheat 419 miles on their line between Winnipeg and Fort William for one-half the cost the Canadian Pacific railway could haul it over their line from Winnipeg to Fort William, with the Canadian Pacific railway line in the condition it was when the arrangement was made.

Mr. J. D. REID: Why do they not do it and show to the people that they are willing to give low rates?

Mr. OLIVER: I have been pointing out that they will do so only when they are compelled to.

Mr. REID: I understood you had made an arrangement with them that they would be compelled to carry grain at the cheapest rate.

Mr. OLIVER: We made an arrangement with them to build a road for them over which they would be able to carry at the cheapest possible rate, but at the same time we established the Railway Commission with authority to control rates, having due regard to the interests of both parties to the transaction. We do not expect the Grand Trunk Pacific Company, any more than the Canadian Pacific Railway Company, or any other railway company, to carry at any less rate than the Railway Commission will compel them to.

We have built them a railroad that will enable them to carry traffic at half the actual cost of transportation that it would have cost the Canadian Pacific railway for the distance of 419 miles at the time the Canadian Pacific railway agreed to carry at 6 cents a bushel. I maintain that, with the road of the standard that is being constructed, if 6 cents a bushel was a fair rate from Winnipeg to Fort William, over the Canadian Pacific railway as it was then constructed, half that rate for each section of 419 miles would be a fair rate between Winnipeg and St. John. In other words 26 cents would be the same rate; the half of 26 cents or 13 cents would be an equally good grain rate, compared with what the Canadian Pacific railway has been and is receiving. I am not suggesting that the Grand Trunk Pacific should be compelled to carry at that rate. It is a theoretical rate. In my judgment, however, it would be fair that the Railway Commission should compel the Grand Trunk Pacific to carry grain from Winnipeg to St. John over such a line, as we promised to give, and as we gave them as long as we were there to do so, at one-third less than the rate that I have mentioned. That is to say, according to the calculation I have made and the figures I have given, the Grand Trunk Pacific can carry and should be compelled to carry grain from Winnipeg to St. John, if everything be worked out as it should be, for 17⅓ cents a bushel as against a lake-and-rail route, with winter storage, of 17¼ cents a bushel as at present existing. I think I have absolutely proved that, if this railroad be finished as we intended to finish it, we shall have thereby established at any rate a competitive route by which it should not cost more to carry grain in the winter time than the minimum cost to hold grain during the winter and transport it by lake and rail in the summer; but by having that all-rail route at that rate, we have a means of regulating the charges by way of lake and rail as they exist at present. I gave the minimum rate; but the maximum rate without storage by lake and rail is equal to the all-rail rate to St. John that I have given.

Mr. J. D. REID: Do I understand that the 6-cent rate charged by the Canadian Pacific railway is fixed, so that it cannot be changed by the Board of Railway Commissioners?

Mr. OLIVER: No, the commissioners could cut that down. They certainly could do so so far as the Grand Trunk is concerned.

Mr. REID: I mean the Canadian Pacific railway.

Mr. OLIVER: I do not know whether they could do so in the case of the Canadian Pacific railway, because a bargain was made.

Mr. J. D. REID: It is the first time I have heard that point raised.

Mr. OLIVER: But I am sure that, whatever rate the Grand Trunk charges, it is absolutely under the control of the Railway Commission. If we can get that all-the-year-round rate, we are absolutely relieved from the two conditions of grain blockade in the fall and of slump on the Liverpool market by reason of the grain being rushed forward in a very short period. As I have pointed out, that means on the present crop of the Northwest anywhere from $2,500,000 to $7,000,000 or $8,000,000 in the year. Of course, as the crop increases, that benefit will increase correspondingly. The present Government is well aware of the injurious conditions that have existed in past times because of grain blockades. It is because of these grain blockades that they propose to establish interior terminal elevators. They have now under contract three of those elevators at a cost of $4,500,000, hoping thereby to minimize to some extent the injury resulting from the annual recurrent grain blockade. We say that if they will complete the Grand Trunk Pacific as it was intended to be completed, the question of blockade will be solved without the erection of interior terminal elevators, and the still more serious question of the depression of the Liverpool market by

throwing our crop on that market in a month or two will be done away with also. The construction of that railway over the route over which it is being constructed and under the physical conditions under which it was to be constructed, is the solution of the problem of the export of Canada's grain so far as that problem can be solved by the action of this Government. Whatever derogates from those conditions in lengthening the road, in degrading it, in militating against the abilitity of the company to finance, is all a blow at the welfare, progress and prosperity of our western prairie country and of this whole Dominion, because I think it is borne in the mind of every man in Canada to-day that it is upon the next crop in the Northwest and upon the prices that shall be received for that crop that this country depends for help in its present condition.

Mr. MORPHY: Will the hon. gentleman say, whether or not, in his opinion, if that road were constructed for $100,000,000 less than it is costing, that would enable the road to give better freight rates?

Mr. OLIVER: Most undoubtedly. If the road could be built of the same standard as it is now and of the same length for $100,000,000 less, undoubtedly—

Mr. MORPHY: Or for $40,000,000 less?

Mr. OLIVER: Yes, for $10,000,000 less, it would make it possible for the Railway Commission to insist upon a correspondingly lower freight rate. We admit that freely; but, of course, we also maintain that, no matter how cheaply the road is built, unless it has the short mileage and the low grade, it cannot do the business at the price. We have that condition illustrated right alongside the Grand Trunk railway to-day; we have the Canadian Northern railway, built, I am sure the House will agree, cheaply enough, built so as to take advantage of velocity grades wherever they could be put in, and certainly not restricted as to length of line or curves. But I have yet to learn that the problem of transportation of Canada's grain crop is going to be solved by the Canadian Northern railway; nor am I informed that the country is going to have the benefit of the operation of this line without a very serious cost.

Mr. MORPHY: I am informed that the Canadian Northern railway took out nearly 40,000,000 bushels of the Canadian grain crop last year at the current rate. You do not deny that?

Mr. OLIVER: No.

Mr. MORPHY: There was no kick about the rates?

Mr. OLIVER: No.

Mr. MORPHY: Then it is helping.

Mr. OLIVER: It is certainly helping. We are not finding fault with the Canadian Northern railway, nor with what it has done as a western road in bringing grain to the head of the lakes. But I have been trying for an hour and a half to point out to the House that it was very far from being the solution of our problem of grain marketing; that we had to have a better condition than prevails to-day between the head of the lakes and the ocean or we could not get that return on our labour, that profit on our production that would enable us to increase our production and thereby make Canada great and prosperous. I am showing now that in that part of the Canadian Northern railway which is paralleling the Grand Trunk railway you have the very condition that hon. gentlemen opposite have insisted should prevail on the Grand Trunk railway. But they do not find the results that we would like to see on the Grand Trunk railway, nor do they find the financial advantage that they would seem to insist would accrue provided we had a low-class road instead of a high-class road.

Now, I may point out that there is not only the matter of transportation of grain during the winter that is giving us an all-the-year-round outlet, but there is the matter of transportation of grain in the summer. I find that the mileage on the Transcontinental, between Winnipeg and Quebec which is a tide-water port, is only 1,344 miles. Reckoning on the same basis as I gave for the rates from Winnipeg to St. John, I take it that from Winnipeg to Quebec all-rail would be 20 cents a bushel. But if that were reduced by one-third, as I claim it might be, we should have a 13½ all-rail all-the-year-round rate between Winnipeg and Quebec, as against a summer lake-and-rail rate as at present between Fort William and Montreal of a minimum of 12¼ and a maximum of 17 cents. Now, I do not for a moment expect that grain will be hauled from the prairies to Quebec during the season of export in the fall. When the rush of grain is on, it will no doubt be taken to the head of lake Superior, as much of it

as can be sent forward. But we will have an all-rail route to Quebec that will be able to regulate and control and keep within reasonable limits the rates across the lakes; and the experience of the last three or four years is that we need some such means of keeping down these lake-and-rail charges. If there were no means of controlling these lake charges, as I have said, they could be put up as high as 17 cents.

Mr. J. D. REID: I think that was only in the fall of the year.

Mr. OLIVER. Certainly. But we do not want to be up against a proposition like that if it can be avoided. Just as the New York Central railway from Buffalo to New York, running alongside the Erie canal and the Hudson river, has an important effect not only in actually transporting the grain but in keeping the rates at a reasonable figure, so, I maintain, the Transcontinental between Winnipeg and Quebec will have an important and salutary effect in controlling the summer export rates of grain, and just as, I believe, the railroad from Winnipeg to St. John will have a beneficial effect in providing a winter outlet at reasonable rates. Thus, we have the advantage of this road both in summer and in winter. And, as I have said, the project if carried to completion is an important solution of the great problem that has to be faced by the producers of the West, a problem that, unless it can be solved, must certainly prevent the full development of this country. Our competitors in the wheat markets of the world are many, but particularly Argentina and Australia, two great countries where there are vast areas of unoccupied land available to be brought under wheat production. Unless we can land our product at a figure to compete, we shall be put out of business so far as producing wheat for the world's market is concerned. We must realize that we are not the only people producing wheat in the world; we are not the only country that has cheap land and lots of it. There is a life-and-death competition between the Argentine, Australia and Canada, and unless Canada is prepared to get into the market on more favourable terms, utilizing her shorter distance from the market, the other countries will take the market and we shall have to consider ourselves out of it.

I wish to make some allusion to the question of capitalization. Admitting that we have the short distance, admitting that we have a high-class road, it is nevertheless the fact that if we have excessive over-capitalization, we cannot get the full benefit of the character of road that we have built.

It has been the pleasing task of our friends on the other side to declare broadly and persistently and to attempt to prove that the capital charges to be carried by the Transcontinental are such as to preclude competitive carriage of wheat. The fact is this: the Transcontinental from Winnipeg to St. John is to cost, everything paid, interest charges and all, a trifle over $100,000 a mile, upon which interest is to be paid at 3 per cent. That is the only capital charge against the road that has to be considered when the rates are being fixed by the Railway Commission—a charge of $3,000 a mile. The Union Pacific has a capital charge of $150,000 a mile, and they pay on that captial charge an interest of say 4 per cent. In other words, while the Transcontinental from Winnipeg to St. John will carry $3,000 a mile capital charge, the Union Pacific carries $6,000 a mile capital charge. The Southern Pacific, with a capitalization of $140,000 a mile, at 4 per cent will carry $5,600 a mile capital charge. The Canadian Pacific is carrying a capital charge of $46,000 a mile. Canadian Pacific stock is worth over 200; in other words, the Canadian Pacific is paying dividends on a capital charge of over $100,000 a mile at a rate not less than 4 per cent. It may be said that what other roads can do, under less favourable conditions the Grand Trunk Pacific Railway Company, operating the Transcontinental, will not be able to do, and that our country will not progress sufficiently to give the business that will enable the company to make this interest. I am sorry that our friends have so little confidence in the country or in the success of their policy and administration as to believe that there is not to be sufficient increase of business to provide traffic for this road. I have confidence enough in the country to believe that, given a proper administration of the country's business and a proper completion and administration of this road, it will not be a question of getting enough traffic for the road to carry, but it will be a question of the road carrying the traffic that will be there for it. One would imagine from the attitude of our friends on the other side that no further development is to be expected in this country. I remember very well that after the Canadian Pacific railway was completed it was broadly declared that there was no need for any more railroads in Canada—that the development

of the country was completed. In fact, I heard my friend the hon. member for Annapolis (Mr. Davidson) the other night say that it was gross impertinence and mere vanity on the part of the Liberal Government that they undertook to build a transcontinental line at all. I find that there has been some increase in railroad business in Canada. In 1903 the railroads carried 47,000,000 tons of freight and in 1913 they carried 106,000,000 tons of freight. In 1903 they carried 22,000,000 passengers and in 1913 they carried 46,000,000 passengers. I have every confidence in the belief that the limit of the growth of this country has not been reached and that the maximum amount of business to be done by our railroads has not been attained. I think there is every reason to believe that the Grand Trunk Pacific will find the business to handle and will be able to do the business at a profit to the company, and to the benefit of the country.

In looking through the blue-books to-day I ran across some figures in the matter of comparative cost that I am going to intrude into this discussion, merely for the purpose of information. I find that 18,000,000 acres of land were given as a part of the aid to the first great transcontinental railroad built by the Dominion, and that 11,000,000 acres of that land have been sold, bringing a return of $75,000,000. The company still have 7,300,000 acres to sell, and at the rate at which land has sold for the past three years, about $13 an acre, their 7,000,000 acres of selected land ought to be worth to them $91,000,000. So that when it comes to a question of aid to railways, our hon. friends on the other side can, I think, claim the merit of liberality even beyond what they are willing to concede to us in regard to the Grand Trunk Pacific.

I will deal only for a short time with some of the allusions that have been made by our friends on the other side. I wish to speak particularly of this assertion to be found on page 24 of the report of Messrs. Gutelius and Staunton:

> We unhesitatingly find that the Grand Trunk Pacific Railway Company, instead of discountenancing, has rather encouraged this inexperienced commission in its extravagant expenditure on this railway.

That is a very serious charge to make against a responsible business enterprise. Instead of bearing out that assertion, the hon. member for West Algoma (Mr. Boyce) to-day drew the attention of the House to a communication addressed by Mr. Hays, president of the Grand Trunk Pacific, to the then Government, asking that a certain contract be relet, because by the reletting a saving might be effected. In face of that this commission dares to put in the very report which conveyed that information this assertion against the good faith and business ability of the Grand Trunk Pacific Company. I find also that the Grand Trunk Pacific as a construction company took four contracts. In these four contracts they were $958,000 less than the next lowest bidder, so that instead of the road having cost more because of the Grand Trunk Pacific having entered the field as contractors, it cost nearly a million dollars less in the case of these four contracts. The commission itself is evidence of that fact; but notwithstanding that they make this atrocious statement.

Just a word as to the Davis contract, about which Mr. Hays wrote to the commission. The Davis' put up their deposit money; they assigned their contract; and this Government made the final payments upon that contract. This Government had the deposit money and the drawback money, and this Government made the final payments. The contract was not completed at the date specified. My hon. friend the Solicitor General says that the late commission, by resolution, relieved the contractor from payment of the penalty. That is true, but there was nothing to hinder the present commission from rescinding the resolution of their predecessors, and, having the money in their hands as they had, from enforcing the penalty if they thought it should be enforced. The fact that they did not do so must be taken as evidence that they did not believe it was right to do so, and certainly they must take the responsibility for not having done so.

In regard to the broad assertion of the commissioners, that 'without including the money which was unnecessarily expended in building the railway east of the St. Lawrence river, $40,000,000 at least was needlessly expended in the building of this road,' if that is intended as a reflection on the policy under which the road was built, all I have to say is that it was none of the commissioners' business. If it is intended as a reflection on the business methods employed in the construction of the road, then I have this to say: In the first place, under the agreement with the Grand Trunk Pacific, the Grand Trunk Pacific as lessees of the Government, had the right—the obligation was placed upon them—to review every item of expenditure made upon the road. They exercised that right, and every item of expenditure was reviewed and approved by the Grand Trunk Pacific. Hon.

gentlemen opposite may say if they like—in fact, they have said—that the authorities of the Grand Trunk Pacific did not play fair with their principals. That is such a gross libel that I do not intend to argue it; but, assuming that the men responsible for the business of the Grand Trunk Pacific acted fairly by their principals, then their principals were protected, and this Dominion of Canada was equally protected by that provision in the contract, and there is no justification for the suggestion that there was unbusinesslike expenditure. Besides that, of the 21 contracts, not one—or hardly one—was completed and the money paid over until this Government came into power. This Government held the deposit money and the drawback money, and if they paid out money that should not have been paid out, they are responsible for it and not the late Government, and they must answer to the taxpayers of the Dominion of Canada for that payment.

I just wish to allude to a remark made by my hon. friend from Algoma (Mr. Boyce). He mentioned a resolution moved by the present leader of the Opposition on the presentation of a proposal by the Government of 1885 for the construction of the Canadian Pacific railway short line between Montreal and St. John, in which the right hon. gentleman urged delay in order to get further surveys. My hon. friend drew a comparison between his urging delay on that occasion and his urging haste in presenting the Transcontinental railway proposal. Let me point out the difference. In the case of the short line between Montreal and St. John, the question was as to whether a line could or could not be got right through Canada. The right hon. gentleman was striving then for an all-Canadian railway, just as he was in 1903, and it was in the hope that an all-Canadian line could be got that he asked for delay. I think it only right that the House should be informed on that point, because it is one of the strong points that the right hon. gentleman made when he introduced the proposal for the Transcontinental railway, namely, that we wanted an absolutely all-Canadian railway from the Atlantic to the Pacific. If it has cost us money to have that, in the first place it was necessary that we as a country should have it; and, in the next place, if we are a country it is worth the having.

The construction of this line has been challenged because it ran through unknown country. Whether the country was known or unknown is not to the point. The point is that by carrying this road, as it has been carried, from Quebec in

9 p.m.

a direct line through Winnipeg and across the prairies to a port on the North Pacific, there has been created, so far as business interests are concerned, a new Quebec, a new Ontario, and new British Columbia out of areas of country that might as well have been in the centre of Africa so far as their material benefit to Canada was concerned without the construction of such a railway. The only criticism our friends opposite have to offer of this project is that we should have built it cheap whereas we have built it dear, that we should have built a temporary and inefficient road whereas we have built a permanent and efficient road, so far as they have allowed the work to go on.

In conclusion, whatever else may be charged against hon. gentlemen opposite they cannot be charged with inconsistency on the subject of opposition to the Transcontinental. In 1903 they fought it from midsummer until the snow flew. They fought it again in 1904. They have attempted, as best they could, to discredit it from that day to this, but it was only when they achieved power, when the enterprise fell into their hands, that they were able to carry into effect what they had wished to do from the very beginning. At this particular time, at this critical period in the history of the road, when vast sums of money have been sunk in its construction, at the moment when enormous further sums are required to absolutely complete and fully equip it, at a period during which traffic must be built up and development provided for the most critical period in the history of the road, our friends have seen fit to lay on the table of Parliament a report that has already been characterized as false, misleading, and an attempt to discredit in a business way the enterprise as well as to discredit politically this party. Their commissioners exhausted their ingenuity in finding cause to discredit the road and our friends in the House from day to day have repeated and emphasized everything that has been said in their report with that purpose in view. If ever this great enterprise can be wrecked they have chosen a favourable moment to use their influence as a party and as a government to wreck it by discrediting it as a business enterprise in the hope of discrediting their opponents on this side of the House. The report has been characterized as partisan. It is partisan; it is so partisan that it discredits itself.

But what is to be said of the responsibility of a government of Canada who do not hesitate to attempt to bring down in ruin this enterprise in the hope that they may thereby injure their political opponents? Surely they have chosen a fitting time! When money is scarce, when credit is difficult, when more money is needed in order to complete this road, they have chosen the time when they can do the most damage. We do not know whether they will be successful or not, but if this enterprise is successfully carried through our hon. friends can say that it is because they could not prevent it.

Mr. SAM. SHARPE (North Ontario): Mr. Speaker, in the short time at my disposal it is not my intention to follow the hon. the ex-Minister of the Interior (Mr. Oliver) in the remarks that he has made. The hon. ex-Minister of Railways and Canals (Mr. Graham) was associated with the ex-Minister of the Interior during the last session, when they spoke in the loudest tones in condemnation of the closure rules that were about to be enforced; but we find that the ex-Minister of Railways and Canals occupied some seven hours in the defence of himself and his department in connection with this report of the Gutelius-Lynch-Staunton Commission, and we find that pretty free latitude has been allowed the ex-Minister of the Interior because he has occupied over two hours in the discussion of the same report. Consequently, the people of Canada will see that the fears of these hon. gentlemen were not well grounded when they stated that free discussion would be blocked in this House by the enforcement of those rules.

My hon. friend argued as to the necessity of the Grand Trunk Pacific being constructed in order to secure a reduction in freight rates. Every person welcomes the Grand Trunk Pacific or any other road that will procure that very desirable result, but when we take into consideration the immense cost of the construction of the Grand Trunk Pacific, consequent upon the waste, extravagance and maladministration that characterized the management of that road, it precludes all question of reducing freight rates. The ex-Minister of the Interior spent a great deal of time in dealing with the comparative prices of land in the Northwest in various periods of the past history of the country. It is beyond my comprehension what relative bearing that has upon the question of the partisanship of the report which is now be[illegible] the House. He, with great adroitness, manœuvred the debate into a discussion of the grain blockade. That is a subject that the House has heard discussed on many occasions because the hon. ex-Minister of the Interior is never tired of discussing the question of the grain blockade. He, along with the other members of his party, prefers to discuss any other subject under the sun than the merits of this report or to make an attempt to refute the charges therein contained.

I was somewhat surprised at the attempt of the hon. gentleman to justify the construction of the eastern branch of the Grand Trunk Pacific from Moncton to Quebec. I do not think there is another member in this House who has the temerity to stand up and, in view of the criticisms that have been launched against that branch of the National Transcontinental railway, attempt to defend it at this stage. We have every reputable engineer, connected with either the Grand Trunk Pacific or the Government service condemning that branch of the National Transcontinental railway from Moncton to Quebec. Mr. Woods, in his examination, said, at page 439 of the report, that that part of the road had been 'fixed politically,' without any consideration of business principles whatever. He said that he had discussed this matter with the late President Charles M. Hays of the Grand Trunk railway before whom he had laid his views. He was asked:

What were your views?

And he answered:

That the cost of that line was entirely out of proportion to any result to be had by the construction and operation of it. His reply was that it was a point fixed by the Government, and that he never was in favour of it, but he saw no way to change it.

That is the opinion of Mr. Woods, assistant chief engineer of the Grand Trunk Pacific. Mr. Lumsden was chief engineering adviser to the Government when the Grand Trunk Pacific project was initiated, and I read from his evidence, at page 449, with respect to the New Brunswick section:

Q. Did you make a study of the advisability of constructing a new line through New Brunswick paralleling the Intercolonial railway?—A. No, I never had any discussion with the ministers about it.

Q. You would not have recommended it, would you?—A. No, I would not.

Here is the chief engineer of the Government not even consulted as to the advisability and practicability of this line. They never discussed the question with

him, and we have a gentleman of this high standing saying that had he been consulted he would not have recommended it. But we have one, who in my opinion, is a still higher authority than either of these gentlemen. I refer to the Hon. A. G. Blair. He at one time was Prime Minister of the province of New Brunswick; he was the minister representing New Brunswick in the Laurier Government; he was member for a New Brunswick constituency when he made his scathing arraignment of the policy of the Government concerning the construction of this eastern section of the National Trancontinental railway, which was to run through his own province. If any man should have supported the building of the eastern section, it was Mr. Blair, but on the floor of this House in his famous speech he used this language, 'Hansard,' page 8440, 1903.

It is a total and absolute waste of the public money. It is not only a destruction of the Intercolonial railway, but it is a sheer unjustifiable squandering of the public money.

The ex-Minister of the Interior (Mr. Oliver) had the temerity—and in my opinion he is the only man in this House or out of it who would have such temerity at this late date—to attempt to justify the construction of the eastern section of the National Transcontinental railway, and he was bitter in his denunciation of what he called the partisanship which characterized this report. I want to point out to the hon. gentleman that that report is based upon the sworn testimony of expert witnesses. With the exception of Mr. Tye these witnesses were all experts who were employed by the Liberal party in the construction of that railway, so that we have the late Government convicted out of the mouth of its own officials.

Nobody realizes more than does the ex-Minister of Railways (Mr. Graham) that he is on trial to-day. The report contains 41 indictments for serious political offences and misdemeanours against the administration of that hon. gentleman. We have heard the hon. gentleman in his own defence, and those who listened to his impassioned seven hours' speech in defence of his administration must have been moved to admiration for his physical endurance, if not for the logic of his arguments. The hon. gentleman not only spoke long, but he spoke loudly and bitterly, and he manifested his consciousness of the fact that his political future was hanging in the balance. The hon. gentleman, while discussing the question, presented an interesting study, because, with all his experience and all his forensic ability, and all his familiarity with the subject—no man is more qualified than he to know what essentials in the report to ignore and what non-essentials to dilate upon and magnify; so, with all his ability as a parliamentarian, we found him touching lightly on subjects damaging to his department, sidestepping them here and sidestepping them there, but never, during his seven hours' speech, making any serious attempt to refute the gravamen of the charges made against him in that report. The hon. gentleman told us he was something of a 'farmer-lawyer,' and he proceeded forthwith to demonstrate the accuracy of that self-accusation by resorting to a practice that obtains, I am sorry to say, among some members of the legal profession, of abusing their opponents when their case is weak. He attacked Mr. Lynch-Staunton and sneeringly referred to him as a police-court lawyer. Nobody knows better than the hon. member that Mr. Lynch-Staunton is an able and distinguished member of the Ontario Bar. That ill-advised reference was absolutely unworthy of the ex-Minister of Railways. He told us that Mr. Lynch-Staunton is a partisan, and he immediately read a letter from Sir Allen Aylesworth, contradicting an opinion that Mr. Lynch-Staunton gave in respect to the agreement as to the Transcona shops. Mr. Lynch-Staunton a partisan! Is Sir Allen Aylesworth a partisan? Why, I remember that Sir Allen Aylesworth, whilst holding the judicial portfolio of Minister of Justice, actually boasted in this House that he was a partisan, and proclaimed that he was proud of it. But, of course, the only partisans dear to the hearts of the ex-Minister of Railways and the ex-Minister of the Interior are partisans who will bring in reports or give opinions in their favour. The findings in this report must depend absolutely upon the evidence, and whether the gentlemen opposite designate the commissioners as partisan or non-partisan, that is aside from the question. Are the findings in that report justified by the evidence; and, if so, the personnel of the commission is a secondary consideration, because in the last analysis an appeal must be made to the people of this country, and to that supreme tribunal the Liberal-Conservative party of Canada is quite willing to submit the justice of this report.

The ex-Minister of Railways also attacked Mr. Gutelius, whom he termed a 'call loan' from the Canadian Pacific railway,

and he insinuated that the Canadian Pacific railway and all its officials had some sinister design against the Grand Trunk Pacific. But immediately afterwards the hon. gentleman lauded to the skies Sir William Whyte, a very prominent official of the Canadian Pacific railway, because Sir William Whyte, when he acted as arbitrator, on an issue between the Grand Trunk Pacific and the Government, decided in favour of the Grand Trunk Pacific Company.

The hon. gentleman also attacked the commission for not allowing Mr. Parent to revise his evidence before being printed in the report. Mr. Lynch-Staunton told me himself that every witness that was called before that commission had the courtesy extended to him of revising his testimony, if he so wished, and if Mr. Parent did not take advantage of that, it was his own fault. It is remarkable, however, that Mr. Parent does not complain about any inaccuracy either in the facts, as set out in the report, or as to the language he used in giving his testimony, and, consequently, where is the grievance? The only possible reason why the hon. gentleman should have referred to that matter at all was to excite some sympathy for the ex-Chairman of the National Transcontinental Railway Commission.

Then the ex-Minister of Railways attacked the report as designed to discredit the Liberal party and the Grand Trunk Railway Company, just as did the ex-Minister of the Interior to-night. The purpose of the commission was to investigate and pass upon the facts, and if the bare disclosure of the facts in this case discredit the Liberal party, then so much the worse for the Liberal party.

These hon. gentlemen also attack Mr. Lynch-Staunton for his opinion, in interpreting the agreement between the Grand Trunk Pacific and the Government, that it provided for a single-track railway. In defiance of that provision in the agreement, we find the commission building a double track for six miles, which was an unjustifiable expenditure of public money. Mr. Lynch-Staunton gave his opinion to that effect. The ex-Minister of Railways (Mr. Graham) sets up his opinion as against that of Mr. Lynch-Staunton.

Mr. McKENZIE: I shall be glad if the hon. member, who is a distinguished representative of the Ontario bar, will point out to us where in the Act or in the agreement it is stated that this must be a single-track road, because I have not been able to find such a provision. I am aware that the commissioners say so in their report, but I cannot find it in the Act.

Mr. SHARPE: I am glad the hon. member asks that question. He desires me to interpret an agreement which has already been interpreted by the chief engineer of the Government railway system, Mr. Lumsden. As recorded on page 395 of the report, Mr. Lumsden was asked the following question:

> You know that the Act provides for a single track railway?

Mr. Lumsden replied, 'Yes.'

Mr. McKENZIE: That is no answer. Mr. Lumsden is not a lawyer. I am not asking for the opinion of an engineer; I am asking for the opinion of a lawyer.

Mr. SHARPE: The hon. gentleman comes from the Maritime provinces, where some of the most distinguished lawyers in the Dominion of Canada reside. I shall be glad to quote him the opinion of a Maritime province lawyer, as his question is a fair one and is entitled to a fair answer. Mr. McIsaac is a distinguished lawyer of the Nova Scotia bar, a K.C. I am glad to be able to quote such a distinguished authority. On page 611 of the report Mr. McIsaac is asked the following question:

> He recommended the construction of that line and it was built double track. The point is, had you any right, under the Act, to build a double track railroad?

Mr. McIsaac's answer was:

> No. I think the Act says single track, does it not?

Mr. McKENZIE: My hon. friend is evading the question. The word was put into Mr. McIsaac's mouth by Mr. Lynch-Staunton, who professes to be a lawyer. Mr. Lynch-Staunton says: 'That is in the Act?' Mr. McIsaac did not have the Act beside him, and he agreed with Mr. Lynch-Staunton. It is not in the Act.

Mr. SHARPE: Surely it is an extraordinary position to take, to say that a gentleman who is a member of the commission and a K.C., and who is supposed to construct the eastern section of the Grand Trunk Pacific in pursuance of the agreement, does not know the wording of that agreement. He was one of the commissioners appointed by the Liberal Government and asked to construct the road in accordance with the agreement, and he

said that he was carrying out the agreement according to the legal interpretation of it. On page 75 of the report, I find the wording of the contract. I will just read the part bearing on this matter. My hon. friend has displayed such anxiety for the information that I want to satisfy his laudable curiosity.

Mr. McKENZIE: I am not asking you to read the contract.

Mr. SHARPE (reading):

When the bridge superstructures are in place ready for operation, a single track railway with side tracks—

Mr. McKENZIE: That is certainly a quibble of the worst kind.

Mr. PELLETIER: Oh, oh.

Mr. McKENZIE: I asked my hon. friend a straight, honest question.

Mr. SHARPE: If the unruly member still wants his curiosity satisfied, I would like to read this question and the answer by Mr. McIsaac. Mr. McIsaac is a distinguished member of the Nova Scotia Bar, and a King's Counsel; he was on this commission, and should be able to interpret the agreement and carry out its intent in the construction of the road. (Reading):

The point is, had you any authority under the Act to build a double track railroad?—A. No.

Mr. McKENZIE: I wish to put a question.

Some hon. MEMBERS: Order.

Mr. DEPUTY SPEAKER: Order. The hon. gentleman knows that he has no right to interrupt.

Mr. SHARPE: If I have not by my weak efforts been able to satisfy the curiosity of the hon. member for North Cape Breton, it is not my fault. I would refer him to the commissioners' report, and also to his compatriot, Mr. McIsaac, K.C., from Nova Scotia. The Liberals, including the hon. member for North Cape Breton, are apparently not a little exercised over the publication of this report. And well they may be, for every argument and every criticism, and every statement in condemnation of this National Transcontinental road made by the Liberal-Conservative party in the past and by its leaders has been amply justified by this report. Every one who has followed the history of the construction of this line has, and has had for years, a strong suspicion that this construction was marked by plain, every day graft, maladministration and loose methods; and this report amply justifies this suspicion. Consequently, we find the Liberals are in a white heat when discussing this report, as is evident in the case of the hon. member who interrupted me a moment ago. They do not discuss the merits of the report so much as attempt to attack the personnel of the commission. But the publication of the findings of this commission has roused such resentment and indignation throughout this country that should an election be held at any early day, the Liberal party, once great, proud and haughty, but now reduced throughout the country to something of a remnant, would become a mere memory in the minds of the people.

Certain plausible reasons were given to the public why this road should be undertaken. We have heard them rehearsed by the hon. ex-Minister of the Interior. They said the road was necessary in order to open new territory in the West and afford facilities for new settlements. But when the Grand Trunk was built in the West, it duplicated for miles and miles at a stretch the Canadian Pacific railway through the settled portions of the country. They told us that the construction of the road was necessary to reduce the freight rates. But the tremendous cost resulting from incapacity, loose methods and lax administration have prevented the possibility of the reduction of freight rates in the time of this generation or the next. They said they wanted to open up the hinterland of Quebec and the Maritime provinces, and so they duplicated the Intercolonial railway; and no person to-day but the ex-Minister of the Interior has the temerity to justify that portion of the line. I give it as my opinion, after reading the report and the opinions of the engineers and of the late Hon. A. G. Blair, that language cannot be found to adequately characterize the folly, the criminal folly, of the late Government in building this portion of the line.

While certain ostensible reasons were given to the public why this road should be undertaken in the public interest, the people generally had grave suspicions that there were certain secret motives behind this construction. And the subsequent history of the work has justified these suspicions in the public mind. For instance, the people suspect that this road was projected as a monument to the present leader of the Opposition (Sir Wilfrid Laurier). The phenomenal success of the Canadian Pacific railway, which was inaugurated by Sir John A. Macdonald, has vindicated the

wisdom of that old Conservative leader. The present leader of the Opposition may well be pardoned for having ambitions to duplicate the phenomenal success of the Canadian Pacific railway. But the difference between the efforts of the leader of the Opposition and the efforts of the former great Conservative leader, Sir John A. Macdonald, was the difference between failure and success; the difference between promise and fulfilment. And, whereas, as the Canadian Pacific railway, inaugurated by the great Conservative leader in the old day, opened a new country, inspiring people with new hopes and ambitions and inspirations, the Grand Trunk Pacific, inaugurated by the leader of the Opposition, has become more or less a millstone around the neck of the Canadian people, involving us in tremendous responsibilities and obligations which it will tax the energy of the people and the ingenuity of this or any other Government successfully to meet and discharge. The success of the Canadian Pacific railway has vindicated the judgment, foresight and wisdom of Sir John A. Macdonald but the National Transcontinental has demonstrated the lack of these qualities in the present leader of the Opposition. They say, imitation is the sincerest form of flattery; and in attempting to duplicate the enterprise of Sir John A. Macdonald the leader of the Opposition has paid that great statesman, unwittingly and unconsciously the greatest compliment in his power.

The people suspect that this road was projected with a view to allowing a few Liberal favourites to exploit the public resources and enrich themselves at the country's expense. Many a Liberal pauper has become a millionaire, and many a Liberal millionaire has become a multi-millionaire from the profits of this road. However disappointing the Grand Trunk Pacific may be as a competitor of the Canadian Pacific railway and an instrument for reducing the freight rates, it has exceeded the fondest expectations of its promoters in enriching a few party favourites, and political campfollowers of the Liberal party. Who were the original shareholders and what was their investment in this enterprise? Who were the original investors of the Grand Trunk Pacific Townsite Company, the Grand Trunk Pacific Construction Company, the Grand Trunk Pacific Branch Lines Company and other subsidiary concerns? It must seem almost incredible when the figures are given showing the extent to which these men invested their personal resources and the risk they took. In 1909, the present Prime Minister (Mr. Borden) put certain questions upon the Order Paper and the names were given, showing that sixteen leading Reformers had each invested the magnificent sum of $200 of their personal wealth in this enterprise. Mr. C. M. Hays, had twenty shares, valued $2,000—that being his total liability—on which there was paid-up $200. Mr. E. J. Chamberlin, $200; Mr. William Wainwright $200; Mr. George A. Cox, $200; Mr. E. R. Wood, $200; Mr. E. B. Greenshields, $200; Mr. J. R. Booth, $200. Other leading promoters behind this enterprise risked their own money in this enterprise to the extent of $200 each. Sixteen of them put up a total of $3,200; five of them put up $400 each; the total amount of investment of these twenty-one promoters who stood to make so much out of this enterprise was $5,200. Can any one conceive of an enterprise of this magnitude being floated under such auspices, unless the intention was, as undoubtedly it was, to enable a few of the party friends to wax rich while the people took all the risks of the enterprise?

The people also suspect that the road was projected as a red herring drawn across the political trail of the Liberal Government in the elections of 1904 and 1908—a Government that had so much to conceal in its administrative record, a Government that was so loath to submit itself to the calm and unprejudiced judgment of the Canadian people. Another hope entertained by the projectors of this enterprise was that it would be a battle cry to rally the drooping spirits of the better element of the Liberal party, and thus it was used in the elections of 1904 and 1908. For these purposes and from these points of view it may have been considered a success. As a memorial, such as it is, to the leader of the Opposition, as a means of enriching a few party favourites, and as a colossal red herring drawn across the political trail of the late Government in the elections of 1904 and 1908, it has fulfilled the expectations of its friends. But the day has come when the Liberal party must answer for its misdeeds. The day of retribution is here. And the Liberal party, instead of displaying such a rebellious, unrepentant and perverse spirit as it does now that its sins are laid bare

before the public, should display a more repentant spirit for its past conduct. But the gentlemen on your left, Mr. Speaker, members of the Liberal party, are hardened sinners, stiff-necked and unrepentant. It will require many years of penitence, many years of adversity, many years of wandering in the wilderness, before they come to a full realization of their position.

On the occasion of this debate it would be interesting, if not profitable—because I believe that what I am about to discuss is familiar to most of the members of this House—to cast a retrospective eye over the events connected with this enterprise; to pass in review one or two of the utterances of the leader of the Opposition and to compare them with the utterances of the present Prime Minister. Anybody perusing those utterances of the respective leaders of the two parties can come to a mighty quick decision as to which is the more statesmanlike, having in view the lamentable condition of the railway situation in Canada to-day. It is also interesting to examine the position taken by the ex-Minister of Railways no later than March, 1911, when he was delivering the railway budget, wherein he spoke of the necessity of "hooking up" the Intercolonial with the Transcontinental line in order that the Intercolonial might get some of the western traffic, and not be dependent upon local traffic, which was insufficient to maintain the road. The ex-Minister of Railways vindicated the judgment displayed by the present Prime Minister when he opposed the policy of the National Transcontinental and propounded an alternative scheme. For a moment or two, therefore, I desire to quote one or two remarks from the speech of the right hon. leader of the Opposition. Speaking at Hamilton on October 11, 1913, he is reported in one of the newspapers, the Toronto Globe, as having said:

> I am not a man of business. I do not pretend to be a man of business. I have good businessmen around me, Mr. Paterson among others, and when we came to this question I left it to Mr. Paterson and others to solve this. But really, gentlemen, when I hear some talking as men of business I am surprised, I may say, at my own modesty and moderation. (Laughter and cheers).

If that speech were made to-day, would it be greeted with cheers of approbation or cheers of derision? In the light of the subsequent development of this country and of the present railway situation, there is no question that the right hon. gentleman was right when he said that he was not a man of business. He proceeded to say:

> How much shall we be out of pocket? According to my poor estimate, the estimate of a modest man who does not pose as a man of business, it seems to me that we shall not be one cent out of pocket.

Later he went on to say?

> The surplus last year was $14,345,000. If, therefore, the Government should set aside out of this sum $13,833,000, it would provide for the full payment of seven years' interest, which is all the obligation that the Government are to bear with respect to the whole line from ocean to ocean.

That assertion, falling from the lips of the leader of the Government at that time, was a misleading, a startling, and an extraordinary assertion, and I believe that the right hon. gentleman stampeded the electors into supporting that policy, knowing well that he was misleading them and making an extraordinary statement in view of the liabilities of the country in respect of that part of the route. The remarks of the present Prime Minister were in direct contrast to those of the then leader of the Government. He referred to the fact that the rates upon traffic depended upon the cost of construction of the road. In his speech to-night, the hon. ex-Minister of the Interior disregarded the question of fixed charges, and spoke as if the rates upon traffic had nothing whatever to do with the cost of construction. But the right hon. present Prime Minister discussed the question with a full knowledge of the subject when he dealt with the bearing of the cost of the road upon the rates that would be charged upon traffic when the road was completed. He, speaking in this House, as reported in 'Hansard,' 1903, said:

> The present congestion is occasioned, not by lack of railways, but by lack of equipment. It is admitted and stated, not only by men who are concerned in this matter personally in the West, but by newspapers all through the West, that there are plenty of railways, but lack of equipment.

He also spoke about spending $100,000,000 on the Grand Trunk Pacific so that the Intercolonial would not get any of the western traffic, and about extending the Intercolonial railway to the Georgian bay. But I wish particularly to direct the attention of the House to this policy enunciated by the present Prime Minister on that occasion:

> I say it would be a proper thing and a wise thing for the Government to acquire that rail-

way (Canadian Pacific railway) from North Bay to Fort William and make it a national highway of Canada and operate it by means of an independent commission, giving to the Grand Trunk Pacific, the Canadian Northern and the Intercolonial, as well as the Canadian Pacific railway, equal running power over it. I say that for this reason, that to build two railways, or three railways, where one railway, with running rights over it, will answer the same purpose, is economic waste.

These words should burn into the hearts of the Canadian people; because if this policy had been adopted there would be no occasion for the lamentable condition of affairs which exists to-day in connection with railway matters. The hon. ex-Minister of Railways (Mr. Graham) is reported in the Ottawa Free Press of March 17, 1909, as saying:

Regarding the future of the Intercolonial, Mr. Graham frankly expressed the opinion that unless some arrangement were made so that line could 'hook-up' and be made the outlet of a transcontinental line, it would find itself confined to the handling of local traffic, of which there was insufficient to maintain the road.

Seldom does the leader of any party find his arguments so readily endorsed as did the present Prime Minister in the statement made by the ex-Minister of Railways and Canals. In the election of 1904, would the people, if they had been able to brush aside the curtain of doubt and peer into the future, looking at the matter in the light of what has since happened, have endorsed the policy that has been placed before them in the shape of the Grand Trunk Pacific, or would they have accepted the policy laid down by the present Prime Minister? The people realize to-day as they never realized before that they have been deceived by the Liberal party, that they have been grossly robbed by the Liberal contractors, and that the construction of this road, as pointed out in the report of the commissioners, has been characterized by waste, extravagance and incapacity.

Many disasters have followed in the wake of the construction of the Grand Trunk Pacific. The Hon. A. G. Blair was an able, far-seeing and constructive man. This road was built upon the political ruins of Mr. Blair; all that was mortal of this great man disappeared protesting against the tremendous folly of the Liberal party. Mr. Blair, humiliated by the action of his leader in negotiating this matter behind his back, against his wishes and contrary to his better judgment, protested to the bitter end against the policy of constructing the National Transcontinental railway. Mr. Blair was shorn of his honours as Minister of Railways and Canals, yet, standing upon the floor of this House, towering in stature, in mental calibre, and in constructive genius away above other members of his party that surrounded him, he lashed and flayed his political friends in a manner which has had no parallel in this or any other Parliament. Like a prophet of old, in his righteous indignation he poured out the vials of his wrath upon his political friends, who were not only deceiving him, but were deceiving the people of this country as well. No such scathing arraignment of any policy or of any party or of any leader was ever recorded in history of any Parliament as that which was made on the floor of this House on August 11, 1903, when the Hon. A. G. Blair delivered his diatribe against the National Transcontinental railway. He said:

Why with such unusual and such unexampled haste a measure of this magnitude and this character had been pressed upon them. . . . What does the right hon. gentleman mean when he says: 'We cannot wait because time does not wait.' I think, Mr. Speaker, and I may say it with all respect to my right hon. friend that it would have been as correct if not as poetic for him to have said: We cannot wait because Senator Cox cannot wait.

We find this stalwart of the Liberal party, an ex-Prime Minister of the province of New Brunswick, here representing a constituency of that province, condemning the whole eastern branch of the Transcontinental. He talks about the Government destroying its own property. He further says that when the Bill was under discussion in the Railway Committee, he asked Mr. Hays whether if the Government built down to Montreal, they might not arrange for an interchange of traffic and that Mr. Hays answered 'Yes, without any difficulty whatever.' Hon. Mr. Blair says:

The Intercolonial railway has been fully competent to take all the traffic that has been offered up to this date. . . . You will have the Government in the anomalous position of owning both roads, of operating one, and of being pratically interested in the successful operation of the other, going in and destroying its own property, impairing the value of its own property whether it be the one or the other, such a spectacle, I do not think, has ever been presented to the knowledge or observation of any human being since the world began.

I might repeat the sentence I read a moment ago in connection with what the ex-Minister of the Interior (Mr. Oliver) said of the eastern branch from Quebec to Moncton. What does Mr. Blair say:

It is a total and absolute waste of public money. It is not only a destruction of the Intercolonial railway but it is a sheer unjustiable squandering of the public money.

Could language be more severe? Could an argument be more irresistible or logic more deadly? Every paragraph, every sentence, every word that fell from the lips of Hon. A. G. Blair has come true, and the people of this country at last realize the real significance of that great man's opposition and hostility to this absurd, illogical and indefensible branch of the National Transcontinental railway. Disaster came not only to A. G. Blair, but also to Mr. Hodgins for opposing this work. Mr. Hodgins was a man eminent in his profession and a Liberal in politics. Yet he was forced to acknowledge his inability to control the contractors along the line, his engineering staff, and the rapacious horde of Liberal heelers who wanted to make fortunes out of the road. What does he say. I quote from the Manitoba Free Press:

Hodgins charges enormous waste. Dismissed engineer declares millions are being stolen on Government section. Major's side of the story. States trouble first arose over question of classification. Asked for investigation.

Alleging broadly that millions of dollars are being wasted or stolen in the construction of the Government portion of the Grand Trunk Pacific railway Major A. E. Hodgins, C.E., has issued a letter, the object of which is to secure an administrative investigation.

Major Hodgins is now a resident of Victoria. He is a son of Judge Hodgins, of Toronto, a Liberal, who recently demanded an investigation by the Government to inquire into the reason for his son's removal from office.

Mr. MORPHY: Was he a partisan?

Mr. SHARPE: I think we can designate him a partisan according to the standard of the ex-Minister of the Interior. I say that Engineer Hodgins' charges have been substantiated and his reputation vindicated by the publication of the Gutelius-Staunton report, and no man in Canada to-day will welcome this report more than Engineer Hodgins and his friends.

In addition to them, we have Chief Engineer Lumsden, a man prominent in his profession, who by reason of, as he says in his letter of resignation, having lost all confidence in his engineering staff, also resigned from this road. His charges also have been substantiated and his reputation has been vindicated by this report. The Liberals may try to minimize the effect of charges made by Engineer Hodgins and Chief Engineer Lumsden, but there are certain salient and indisputable facts which they cannot ignore. One of them is that these engineers had personal knowledge of what was happening in connection with this road; they made serious charges against the management of the road and the administration of the moneys spent, and in consequence they resigned. The third indisputable fact is that these charges have been substantiated, proved to the hilt, by the publication of this report. Those are the facts, notwithstanding that engineer Hodgins and chief engineer Lumsden were terrorized and intimidated more or less to modify their charges before a certain partisan committee appointed to investigate them. Blair, Hodgins and Lumsden were victims of the ambition and greed of party friends of the Liberal party. They were mere pawns in the game, flies upon the wheel, and they were brushed unceremoniously aside in order that these men might pursue their course in becoming millionaires and multi-millionaires in a short time. With their knowledge, ideals and principles, these men were not wanted in the construction of this road; they were dismissed or their resignation demanded in order that the carnival of mismanagement might proceed unhindered. Hon. Mr. Blair foresaw what was coming and he washed his hands of the whole transaction. Hodgins and Lumsden actually saw what the Hon. Mr. Blair foresaw, and they also washed their hands of the transaction. Engineers Hodgins and Lumsden held a post-mortem investigation, —perhaps I should say ante-mortem, because although the Grand Trunk Pacific is in extremis it has not yet utterly expired,—which verified the predictions of Hon. Mr. Blair in regard to this road and confirmed the experience of Hodgins and Lumsden, who were men actually upon the work. Mr. Blair looked at this enterprise from the point of view of the future and condemned it; engineers Hodgins and Lumsden looked at it from the point of view of the present—men actually on the job—and they condemned it; commissioners Gutelius and Staunton looked at it from the point of view of the past and they condemned it. Hon. Mr. Blair has been reviled and execrated—one might almost say executed—by the Liberal party. Engineers Hodgins and Lumsden were reviled and execrated by the Liberal party, so is it any wonder that they revile and execrate the names of Gutelius and Staunton?

10 p.m.

This investigating commission was ideal for the purpose for which it was appointed.

It was composed of Mr. Gutelius, an expert railway engineer who was appointed to investigate and pass upon the engineering side of the enterprise, and of Mr. Staunton, an able and distinguished member of the Ontario bar whose duty it was to examine and cross-examine witnesses and report on the contracts. In their report, there is not a statement that is not supported to the hilt by the documentary evidence on file or by the sworn testimony of witnesses. All those witnesses with the exception of one or two were the experts employed in the construction of the road. In other words the Liberal party have been convicted out of the mouths of their own employees. Every expression of opinion in that report is verified and amplified by the best expert opinion on the continent of North America. The very completeness of the report dumfounds hon. gentlemen opposite. They cannot successfully attack the merits of that report. The very completeness of it takes the Opposition, so to speak, at a disadvantage because they cannot successfully, either on questions of fact or of expert opinion, attack this report which has been so ably prepared by these commissioners. In this voluminous, exhaustive and unimpeachable report, these commissioners have placed upon the records of this House, and among the archives of this country, a document which not only vindicates the position taken by the Liberal-Conservative party in years past in respect to this enterprise, but which vindicates the judgment in the most flattering manner of the present right hon. Prime Minister in respect to this whole proposition. This report does more than vindicate the position of the Conservative party, it does more than vindicate the position of the Prime Minister; it exposes, in the minutest detail, and by the most incontrovertible evidence, the greatest piece of graft in the history of politics on the North American continent.

This gigantic waste need not surprise the Canadian mind when you consider the thoroughly political complexion of the former National Transcontinental Railway Commission. This commission was selected, not on account of its expert knowledge of railway construction and operation, but purely and simply on account of its knowledge of practical politics. It is most interesting to compare the methods which were employed by the United States Government in appointing a commission with the methods that obtained in Canada in appointing this commission for expending millions and millions of the people's money. At the time that the President of the United States appointed a commission to construct the Panama canal, did he appoint men such as the ex-Minister of Railways and Canals said that the Government had appointed—men of splendid ability but without any expert knowledge? Listen to the personnel of the commission appointed by the President of the United States: John G. Walker, rear-admiral of United States navy, who had been at the head of former canal commissions for purposes of investigation and report; Geo. W. Davis, a major-general of United States army, on the retired list; Wm. B. Parsons, an eminent civil engineer, of New York; Wm. H. Burr, professor of civil engineering in Columbia University of New York; Benj. M. Harrod, formerly city and state civil engineer of New Orleans; Carl E. Grusskey, civil engineer, of San Francisco; and Frank T. Hecker, a civil engineer, of Detroit.

Mr. MACKENZIE: With reference to that Panama canal matter, to what extent did the expenditure go beyond the estimate?

Mr SHARPE: I have not the figures.

An hon. MEMBER: Everybody else has them.

Mr. SHARPE: Perhaps my hon. friend, having the knowledge, will give them to the House?

Mr. McKENZIE: The expenditure was double the estimate.

Mr. SHARPE: That is the kind of commission that the President of the United States appointed to undertake a work of this stupendous character. Contrast that with the personnel of the commission that the Liberal Government appointed when they wanted to spend millions and hundreds of millions of the people's money. Whom did they appoint on that expert commission? First, they appointed Mr. S. N. Parent, the distinguished King's Counsel of the province of Quebec. He had never pleaded a case, they say, but however little he may have known about law, he certainly knew nothing whatever of the construction of railways. The next man was Mr. McIsaac, the distinguished legal light from the province of Nova Scotia, who, according to the hon. member for Cape Breton (Mr. McKenzie), did not know the legal interpretation of the contract or the agree-

ment. Then we had Mr. Young, a farmer from Manitoba, and we had Mr. Reid, a corset manufacturer, from London, Ont.

There was something in the argument of the ex-Minister of Railways and Canals when he stated that a man of good executive ability might well be appointed to administer a department, provided he surrounded himself with good experts and followed their advice. But the distinguished King's counsel from Quebec and the distinguished King's counsel from Nova Scotia, the practical farmer and the eminent corset manufacturer, did not follow the advice of their experts. I have certain instances proven by evidence, and I will give the page and date because time will not permit me to go into the details, where the opinions given by the experts of the Railway Department and of the commission were overruled by either the commissioners or the Minister of Railways and Canals. We begin with the question of the two terminals at Moncton. Here we have the Government owning two terminals, the Intercolonial and the Grand Trunk Pacific. Then we find the question of the eastern division, and I have already pointed out that the eastern division was constructed notwithstanding the fact that the opinion of the chief engineer, Mr. Lumsden, who was against the proposition. The classification was another instance. Engineer Grant, on his classification, was overruled by the commission, and he was ordered to make a higher classification. Then we have Mr. Lumsden overruled on his classification by the commission. These commissioners were political experts, but not railway experts. Then we had the pneumatic caisson on the Cap Rouge viaduct. We find that the bridge engineer says that Chairman Parent himself overruled the engineers and directed them what to do in this case, involving an additional cost of $250,000. We have the case of the Transcona shops, which the chief engineer estimated to cost $1,500,000. We find that the Government accepted plans drawn by the Grand Trunk Pacific costing $4,500,000, designed to serve the purposes of the Grand Trunk Pacific and their political friends in the West. I say advisedly, after reading the documents and reading this report, that this was a palpable fraud on the people of Canada. We find Mr. Calvert and Mr. McIsaac, both members of the commission, saying that in their opinion the understanding with the Grand Trunk was that the Government should only pay $1,500,000 and that the Grand Trunk were to pay the rest. The Grand Trunk has not paid a dollar, and does not intend to. The engineers were overruled in this case by the ex-Minister of Railways and Canals, and the commissioners. The evidence is overwhelmingly against the Government and its political experts in regard to the question of momentum grades. From the chief engineer down, all the engineers were in favour of momentum grades, but by reason of these engineers being overruled the country was put to an extra expense of $6,200,000. Then there was the question of wooden trestles. Every engineer, from the chief engineer down, and every engineer on every reputable railway in Canada is in favour of wooden trestles. Yet this commission, composed of these political experts, overruled these engineers and put the country to an additional expense of $2,947,000. On the question of pusher grades, from Chief Engineer Lumsden down, there was not a man against them; yet these political experts overruled these men and put the country to an expense of $2,750,000. These political experts not only put 80-lb. rails all over the main line, but they insisted, in opposition to the opinion of expert engineers, on putting them in yards and on sidings. Mr. Woods, on behalf of the Grand Trunk Pacific, said that he never insisted upon 80-lb. rails being used for yards and sidings. In regard to the contract calling for a single track, Chief Engineer Lumsden said that under the agreement there was no necessity for anything but a single track. But this political commission overruled the experts' opinion, and a double track was constructed between lake Superior junction and Graham Yard. Mr. Woods said that it was not a necessity but a luxury. Imagine the Government spending the people's money in the wilds of New Ontario on luxuries. Then, there was the entrance to Winnipeg. We have the statement of the ex-Minister of Railways and Canals to the House that he went up personally and inspected the entrance to Winnipeg. Yet the chief engineer, Mr. Lumsden, gave evidence that he was in favour of going into Winnipeg with the Canadian Northern railway. We have the ex-Minister of Railways and Canals saying that his resignation was in the hands of the Government rather than see the advice of the chief engineer of the department followed in connection with this matter.

Then this extraordinary commission fenced the whole right-of-way from Moncton to Winnipeg and Chief Engineer Lumsden swore that he could hardly credit it, that he did not know it was going on, and that in his opinion the right-of-way should only be fenced where there was civilization and settlement, and not in the wilderness.

We have instance after instance where the Government and the National Transcontinental Commissioners totally ignored the opinions of their experts. It is not my intention to deal with the details of the report, but there are one or two startling facts which I shall revert to briefly. I remember that one time the Liberal Government built a wharf at Disraeli in the province of Quebec where there was no water and where there were no boats to tie up to it; also at Newmarket a canal was built where there was no water and no traffic; but here we have this Transcontinental Railway Commission building a highway, at a cost of $40,000, down from Sillery church, at a point away off from the railway altogether. The report sets out that the contractors were paid, on account of over-classification, $3,300,000, and, as an interesting side-line as to the excessive charges in respect to classification, I call attention to the evidence of one, Alfred A. Paradis, who being sworn, deposed:

Q. How old are you?—A. Thirty-nine.
Q. You are a civil engineer?—A. Yes.
Q. Are you a graduate of any college?—A. No.
Q. Educated where?—A. National business college and private tutor, and then I followed the course of the International Correspondence School of Pennsylvania.

I have heard of the International Correspondence School teaching some theoretical subjects, but I can hardly conceive that a man could acquire much knowledge from that school, down in the state of Pennsylvania, on a practical subject such as classification of material. Hon. gentlemen opposite have told us that a man is not qualified to be a commissioner if he comes from the United States, but here is a gentleman who gained his knowledge of classifying common excavation, loose rock and solid rock from the International Correspondence School of Pennsylvania, and who was sent by these precious National Transcontinental Railway Commissioners to do the important work of classification. Here is some more of Mr. Paradis' evidence:

Q. You had not classified before that on any other road?—A. No.

[Mr. S. Sharpe.]

Q. You went in the first morning to make your estimate?—A. Yes.
Q. Did anybody go with you the first time?—A. The first estimate, I believe so.
Q. Did you measure, count, or estimate your boulders?—A. Yes, sir.
Q. Which did you do?—A. I measured a few of the boulders myself; a few others were measured by subordinates; the boulders were measured by contractors' foremen.
Q. By the contractors' foremen?—A. Yes.
Q. Did you take their word for it?—A. No, not always.
Q. Did you ever take their word for it?—A. Sometimes I did and sometimes I did not.
Q. Did you take their word for the measurement in many cases?—A. Yes, I did.

Here is a man, who had acquired his knowledge of the engineering profession from the International Correspondence school of Pennsylvania, and he allows the foremen of the contractors to measure the boulders, and he takes their word for it. Is it any wonder there was over-classification? Then we have the evidence of William B. Robertson, a divisional engineer appointed by these commissioners, and he says:

Q. What percentage of the clay that has been handled on your division have you classified as loose rock?—A. I say about 80 or 85 per cent.

Then we have that extraordinary spectacle in connection with the dispute in reference to classification, where the contractors consulted legal gentlemen in the provinces of Ontario and Quebec, and they got their opinions, of course in favour of their contention, and they handed these opinions to the commissioners, and the commissioners got no legal advice whatever on the matter, except that they wrote to the Deputy Minister of Justice, and he said it was not a matter for legal advice at all; it was a matter for interpretation by the engineers. But instead of accepting their engineers' advice as to classification, these Transcontinental Commissioners accepted the opinions of the lawyers which were paid for by the contractors.

In respect to the wooden trestles, there are ten or twelve expert engineers, who give their opinion in favour of having wooden trestles upon the road. Up in New Ontario, at a certain point, Redditt, they built a station which was quite adequate for the place, but because it did not come up to the expensive station design of the Grand Trunk Pacific, they built another one, and then they built a freight shed also, so that in a territory without inhabitants and without traffic, they have two stations and a freight shed at the one point. Then we have evidence of improper, and illegal,

and dishonest payments, and various other kinds of mis-management.

The evidence with respect to contracts Nos. 16 and 17 has already been placed before the House, and that is perhaps one of the most remarkable things in connection with the whole business. President Hays of the Grand Trunk notified Chairman Parent of the commission, and he notified also Sir Wilfrid Laurier, that contracts Nos. 16 and 17 should be cancelled because they had not been gone on with, and now that the adjoining railroad was built up to them lower prices might be expected, but within two months after that, M. P. and J. T. Davis, who had these contracts, were allowed to transfer them to O'Brien, McDougall and O'Gorman. This fixes the responsibility on the leader of the Opposition of having knowledge of the circumstances, and consequently he must accept all the responsibility for that extraordinary rake-off of $740,000, which the Davises made, without turning a solitary sod on their contract.

Then in reference to contracts generally, there was secret advance information given as to the engineers' estimates, by the commissioners, to their favoured contractors. That is a very significant fact. These men were employed at high salaries to construct the road, and they handed out secret information in advance to their favourites. We find that eminent and distinguished farmer from Manitoba, Mr. Young, protecting and taking care of a Liberal contractor, Mr. J. D. McArthur of Winnipeg. We find Chairman Parent himself handing out information in advance with respect to contract No. 8, and we find that a five million dollar contract was manipulated in order that Parent's friends, M. P. and J. T. Davis, might get it. Of course, Chairman Parent denies knowledge of it, but the fact remains that somebody committed a forgery by striking out certain figures in the document after it was signed by chief engineer Lumsden.

In the Gamey investigation, the paramount question of the time was: where did the money come from? But the burning question in this transaction is: where did the money go to? The ex-Minister of the Interior said there was not a shadow of suspicion that anything was wrong, or that any of this money went in a dishonest way, or for political party purposes. Let me read a few sentences from the evidence of Chairman Parent, and then hon. members can draw their own conclusions:

Q. Did any contractor pay any sum of money to you or to any of your fellow commissioners for personal or political purposes?—A. I do not know that.

Q. You say they did not?—A. Not to my knowledge.

Q. Did they pay any to you for personal or political purposes?—A. No.

Q. Did any of the contractors make any contribution for personal or political reasons after they got the contract?—A. Not that I know of. If they did it must have been elsewhere.

Q. Do you know of their paying any money? —A. I cannot say that. I am speaking from my personal knowledge.

Q. Did they tell you they paid any other money?—A. I won't tell that. I do not know that.

Q. Will you say they did not tell you they paid money?—A. I do not remember that.

He is not very positive about that; is it not significant that he would not remember something or other about it.

Q. Try and remember?—A. If they paid money to somebody it would be their business.

He evades the question.

Q. Did they tell you they paid any money to anybody during the time they had those contracts?—A. To anybody outside?

Q. Yes?—A. A fellow talks that way sometimes. He might say: I contributed to both sides of politics; to both parties, but without giving any name particularly.

Q. Did any of those contractors tell you, during the time they were doing this work, that they contributed any money for political purposes?—A. I do not remember that.

Q. You don't remember?—A. No.

You see, he would not state positively.

Q. Will you try to remember?—A. If I knew, I would tell you. In a thing like that I speak for myself. I cannot speak for any one else, nor will I speak from hearsay.

Q. You do not remember their telling you so? —A. No, I always avoid politics.

Q. You say they never told you they put up any money for personal or political purposes? —A. I do not remember that. You think I know better than I do. We did not touch these matters. I had a duty to perform and I performed it.

Q. And you say now, candidly, you do not know of any case where any contractor put up money while he was contracting with this commission?—A. I do not say they did not put up any money.

Q. But so far as you know?—A. So far as I know, they did not, to me.

Now he is evading the question. (Reading):

Q. Oh, no.—A. If they did, I was not with them.

Q. This is not the point. Did they tell you they did?—A. I do not remember that. They may have said so, I do not know. I do not remember it and I could not swear to it.

Q. Do you remember their telling you they were going to put up money?—A. That is about the same thing. They may have said so, some of them, but I could not point out exactly. They may have said so.

Any person reading that can come to no other conclusion whatever than that a great amount of that money found its way into the political campaign fund of the Liberal party.

In conclusion, Mr. Speaker, I desire to say that the commissioners have thoroughly investigated this whole road; they have examined the contract; they have examined and cross-examined the witnesses and have made their report. They have summarized their findings in this significant paragraph:

> We find that the Transcontinental Railway Commission, the Grand Trunk Pacific railway, and those having charge of the construction of the railway did not consider it desirable or necessary to practise or encourage economy in the construction of this road.
>
> We find that without including the money which was unnecessarily expended in building the railway east of the St. Lawrence river $40,000,000 at least was needlessly expended in the building of this road.

Contrast that with the significant statement of the Hon. Mr. A. G. Blair. Speaking of the eastern branch of the National Transcontinental railroad, he said:

> It is a total and absolute waste of the public money. It is not only a destruction of the Intercolonial railway, but it is a sheer unjustifiable squandering of the public money.

Had time permitted, I would have liked to go more in detail into the findings of the commission, because I never read in my life a more complete report, a report that proves the charges to the hilt out of the mouths of employees and witnesses belonging to the Liberal party. I believe that the people of Canada are at last seized of all the real facts in regard to this gigantic waste of $40,000,000, this Liberal masterpiece of wilful waste and wanton extravagance. When the opportunity is afforded them to register their protest, I venture to express the opinion that they will visit well-merited punishment upon the heads of those responsible for this national disgrace.

Mr. J. J. HUGHES (Kings, P.E.I.): This is certainly the most important question that has been discussed in this House during the present session. It is more than that: it is the most important question to the people of this country and to this Government that has been discussed in this House for many years. The report of the Investigating Commission, Messrs. Lynch-Staunton and Gutelius, is bulky and technical. The discussion that has taken place upon it has been extensive and necessarily to a large extent of a technical character. It would therefore, in my opinion, be difficult for the ordinary man—even if he had the time and inclination and opportunity to read this report and the discussion upon it and to follow them in all their details—to come to a decision on the question. There ought, however, to be some way for the plain citizen, the ordinary man, the ordinary taxpayer of this country, to grasp at least the fundamental features of the case. I will endeavour to find that way and to follow it.

Before I do so, I want to draw the attention of the House to this peculiar feature of the case. So far as we know, before this report was completed, before it was printed and laid on the table of the House, at all events before it was available to the members of the House, advance copies, exaggerated statements, biased statements, were given to the Conservative newspapers of the country, and were published under flaming headlines. The attention of the country was called to the enormous graft that was about to be revealed, to the dishonesty that was about to be exposed. A superhuman effort almost was made to influence, inflame and prejudice the country before the report saw the light of day at all. Was that a proper course to pursue? Were the men who were preparing this report afraid that, when the report was submitted, it would not bear out the interpretation which they were sending out to the country, and was it their intention that the country should be prejudiced first and the report submitted afterwards? It would certainly seem as if that was the case. If these men had confidence in the value of this report, they would have depended upon it to carry its story to the people.

I want to say a word or two with reference to the policy of the late Government, which has been called in question by this report, and which has been seriously called in question to-night by my hon. friend (Mr. Sharpe). In 1903, when the Government of the country decided, in consequence of the development going on in the West and in consequence of the necessity of providing better and cheaper additional transportation facilities, upon building a railway from Winnipeg, Manitoba, to Moncton, New Brunswick, they decided to own it themselves and to connect it with a line of railway that the Grand Trunk Pacific would build from Winnipeg to the Pacific ocean. Every province in the Dominion of Canada was to benefit from the construction and operation of this railway. It was to be truly a national transcontinental railway. We know that the Conservative

party at that time was in favour of this railway stopping at Cochrane, and of sending the traffic and the business that would come over it from the West to Toronto and from there through United States territory to United States ports. Some of them wished the railway to be carried as far as Quebec, but no one wished it to go into the Maritime provinces, and from Quebec the freight was to be diverted to Portland. The Maritime provinces were to be left out of the reckoning altogether. We might pay our share of the cost, but were to receive none of the advantages. That was the policy of the Opposition at that time and it is still the policy of the Conservative party. The Government of that day thought and acted differently. On the question of policy they went to the people in 1904 and again in 1908, and the people endorsed that policy. It is just possible that the late Government and the Liberal party and the majority of the people of Canada were as well qualified to pronounce an opinion upon the proper policy to be pursued in that respect as Mr. Gutelius or Mr. Lynch-Staunton or the Conservative party or even my hon. friend (Mr. Sharpe). When a policy was decided upon, it was also decided, as has been pointed out time and again, that a railway of the best standard in America would be constructed, so that the operating expenses of the road would be as light as possible, and so that it would be a true competing line with the Canadian Pacific railway or any other railway in Canada.

What was the arrangement entered into with the Grand Trunk Pacific? While the Government was to build from Winnipeg to Moncton, the Grand Trunk Pacific was to build from Winnipeg to the Pacific ocean. The Grand Trunk Pacific, with the guarantee of the Grand Trunk railway, a large and wealthy railway corporation, agreed to take over the road when constructed by the Government, under a lease for fifty years, and pay 3 per cent upon the cost of construction, whatever it might be, for forty-three years out of the fifty, to operate the road and provide the betterments, that is, to keep it in proper repair. Therefore, it was to the interest of the Grand Trunk Pacific and the Grand Trunk railway that this road should be built honestly and economically. They had the right and privilege and duty of putting their engineers on the road while it was under construction, to see to it that every dollar was properly expended; and they did that. What better arrangement could be made to insure honesty and economy? I do not think the ingenuity of man could devise a better arrangement. Then the commission was appointed consisting of four men. The Government of to-day is trying to smirch the reputation of these men. But these men are reputable Canadian citizens, and I do not think the efforts of the Government should be directed towards destroying their reputation. That commission had the advantage of being assisted by the best engineers who could be found in Canada. If graft has been carried on, that commission must have been dishonest; the engineers employed by them and paid by the people of this country must have been dishonest; the engineers employed by the Grand Trunk Pacific and the Grand Trunk railway must have been in collusion with the grafters, and they also must have been dishonest; and the contractors must have been dishonest. Mr. Speaker, if all those safeguards have broken down and this dishonesty has taken place, there must be something inherently wrong with the people of Canada, for it would be impossible to devise better safeguards to insure the honesty of a public work.

Now, we come to another feature of this case, and a serious one for this Government. I said a moment ago that it would be difficult for the ordinary man to wade through this mass of evidence prepared by lawyers and engineers, and to discover who was right and who was wrong. But it is easy for the ordinary man to see that if all this graft that is charged has taken place, all these men whom I have mentioned must be guilty. This Government is the guardian and custodian of the public funds. What is the Government going to do about it? Is it going to prosecute any of those who are represented to us as rascals, the parties to this huge graft, all this enormous thieving, when millions of the public money were squandered—forty millions, according to this report, squandered and several millions dishonestly taken? I see a member of the Government present, the Hon. Minister of Marine and Fisheries (Mr. Hazen); does he think this Government has no responsibility in this matter? Not only have they not started any prosecutions against the men who are alleged to have done these things, but they have retained these same men, these engineers, in their service. Now, this Government is not very sensitive in regard to dismissals; their conscience is not tender upon that point; they have dismissed men

for the most trivial reasons. They have dismissed men simply because they were suspected of being Liberals when there was no other charge against them. They have dismissed men from the post office, from the customs, from the lighthouses, from the railways, simply because they were Liberals, though these were honest men, faithfully discharging their public duties. Why, they have dismissed men who were dead because it was believed they were Liberals; they have dismissed men simply because they patted a Liberal dog on the street. But, according to their own statement, here are men in the employ of the Government who have assisted in robbing the people of this country of millions of dollars—and not even one of them dismissed. If that report be true and the statements made by the members who have spoken on the opposite side be true, this Government is aiding, abetting and shielding rascals and is equally guilty with them. That is what the people who pay their taxes want to know, and the Government are not going to get away from that. If what is alleged on the Government side be true, these men should not be at large; the penitentiary is the place for them. Again I say: What is the Government going to do about it?

But there is more than that in it. If one-tenth part of what is charged by the members on the other side has taken place, the contractors themselves are dishonest men. When this Government came into power they found that a deposit had been made by every one of these contractors; they had also in their possession a drawback kept by the late Government. Had this Government been sincere in this matter, they should have retained that money until this business was cleared up. These contractors had solemnly agreed faithfully and honestly to carry out their contracts under forfeit of the money that they had placed in the hands of the Government as a guarantee. But this Government exacts nothing; they have paid out that money in many instances without exacting a dollar. But they have done more than that. During the time the late Government were in power, a dispute arose between the Government engineers and the engineers of the Grand Trunk Pacific, and that dispute was referred to arbitration under the provisions of the statute. The arbitrators were: For the Grand Trunk Pacific, Mr. Kelliher; for the Transcontinental Commission—that is for the Government—Mr. Gordon Grant; and the third arbitrator, Mr. Collingwood Schreiber. The arbitrators decided that they would deduct from the claim of J. D. McArthur the sum of $550,000, and the late Government decided to carry out that award. What did this Government do since they came into power? They set aside the award of the arbitrators and deducted only $150,000 from the account, thus paying this contractor $400,000 more than the arbitrators had said he was entitled to, and more than the late Government had decided to give him. In the face of that, can this Government dare charge the late Administration or the Transcontinental Commission with not doing their duty, or with not guarding the public funds? The taxpayers of this country will have to know why the finding of the arbitration board was overruled, and why $400,000 of the people's money was paid out to this contractor. Yet we are asked to believe that it was the late Government, or the Transcontinental Commission, that was squandering the public money.

I do not know, I cannot conceive, how this Government can tell the people of the country that they knew that certain men had robbed the taxpayers, and yet kept them in their service; that they did not prosecute them, did not take legal proceedings against them, but condoned everything. I do not think that such a record was ever made in the history of Canada or of any other country. When the Liberal party made charges against men for squandering public money—against Connolly and McGreevy, for instance—they took these men into the courts and exposed and punished them. They gave a reason for the faith that was in them; they acted properly and like men, and if there is any truth in this report the present Government should act in the same way. But hon. gentlemen opposite know that the report is not true; they do not believe it themselves; and they have not acted upon a single finding of the report from the time they received it until the present day.

The Government, at enormous expense to the country, employed two men to investigate this matter. These men prepared a report, and, if it be not true—and we are driven to that conclusion—then it is a slanderous report, which is being circulated by the Government throughout the country. I do not profess to know anything about the law, but the hon. member for North Ontario (Mr. Sharpe) said that one of the members of the commission,

Mr. Lynch-Staunton, was one of the most distinguished members of the Ontario bar, Mr. Lynch-Staunton had an opinion, which he published in that report, and the Minister of Justice and the Deputy Minister of Justice, over their own signatures, said that he was all wrong—that his law was no good. Yet the Government is spending tens of thousands of dollars to circulate that false report throughout the country for the purpose of prejudicing the public mind. I have shown you, Mr. Speaker, how hon. gentlemen opposite agree on a point of law; that is the opinion they have of Mr. Lynch-Staunton's knowledge. I think that is the way the taxpayers of this country will look at this question. I repeat that the commissioners employed by this Government have made a report in which they charge that enormous sums of money have been misappropriated. The persons who are alleged to be guilty are all in this country; many of them are in the employ of the Government; yet the Government is taking no action whatever to punish these men for their alleged misdeeds. If this report be true, we have an instance of the greatest miscarriage of justice on the part of the Government that ever took place in this or any other country. Will the people of Canada stand for that kind of thing? If the report be not true, then it is the most slanderous document that has ever been given to the people of Canada—and it has been produced under the auspices of this Government. I would like to ask the ministers who are present to-night what further action they intend to take. This matter should not be allowed to rest here; further investigations should take place for the protection of the people; further examination into the matter should be made if the Government have not enough information to enable them to proceed against the guilty parties. Is that not common sense; is that not ordinary reason? The people of this country will ask for it, they have a right to ask for it, and if they get justice their demands will be satisfied; but they will not get justice. The interests of the people are not considered in this matter; the whole thing appears to have been conspiracy which was entered into for the purpose of discrediting the late Government, for the purpose of discrediting the Liberal party, for the purpose of degrading the Transcontinental railway, regardless of consequences. No amount of special pleading, no amount of finely-spun arguments, no amount of covering up, will keep these patent facts away from the minds of the people. One man perhaps more than all the others is responsible for this condition of affairs, and that man in the last analysis is the right hon. the Prime Minister. On him the responsibility must rest.

One of the points of this commission's report is that if we had built a cheaper road it would not have cost so much. We had to pay $65,000 in order to get that valuable piece of information. Mr. Gutelius says it is unnecessary for the Grand Trunk Pacific to have a level or a straight road, but he would like exceedingly well to induce the Government of this country to give him money to take the lumps out of the Intercolonial and make it reasonably straight. He says he could operate the Intercolonial much more cheaply if that were done; but he reports that it is not necessary for the Transcontinental. Any ordinary man can see some flaw in that reasoning. I say again, the whole thing seems to have been a conspiracy to discredit the Liberal party and to degrade the Transcontinental. Is it possible that that was intentionally done so that the Grand Trunk Pacific should not take over this road when it was completed; so that it should be handed over to some other company, the Canadian Pacific railway for instance and the people of Canada would be deprived of competition in transportation? The President of the Grand Trunk Pacific, Mr. Chamberlin, has already notified the Government that he might not take it over if they went on degrading the road as they were doing—he would not hold himself responsible for the operation of the road. No government in this country ever occupied a more untenable or more unreasonable position—a position more in direct opposition to the best interests of the people—than this one.

On motion of Mr. Sevigny, the debate was adjourned.

On motion of Mr. Hazen, the House adjourned at 11 p.m.

Tuesday, March 31, 1914.

The House met at Three o'clock, the Speaker in the Chair.

PRIVATE BILLS.

FIRST READING.

Bill No. 130, respecting certain Patents of Thomas Leopold Willson.—Mr. Fripp.

Bill No. 131, respecting the Sterling Life Assusrance Company of Canada.—Mr. Buchanan.

Bill No. 132, respecting the W. C. Edwards and Company, Limited.—Mr. Fripp.

Bill No. 133, for the relief of Johann Andreas Horn.—Mr. Schaffner.

THE NATIONAL TRANSCONTINENTAL RAILWAY.

Consideration of the proposed motion of Hon. W. T. White (Minister of Finance) for Committee of Supply, and the proposed amendment of Mr. Graham thereto, resumed from March 30.

Mr. A. SEVIGNY (Dorchester): Mr. Speaker, the commission appointed by the government to inquire into the construction of the Transcontinental, reports that, in this undertaking, a sum of forty millions was spent uselessly. This news has created quite a sensation in the country and has aroused public indignation against the Liberal party, responsible for this unqualifiable abuse.

Since that report was brought down, the honourable members of the opposition have proposed an amendment to the effect that the report should not be adopted, and the main reason alleged therein is that, one of the commissioners, Mr. Gutelius, is a Conservative partisan, and the other, Mr. Staunton, is a friend of the Pacific Railway Company. I have lent an attentive ear to this debate and I have not yet heard a word against the honesty and the integrity of those two commissioners. When they tell us that a sum of forty millions was squandered in this enterprise by the Liberal Government, we involuntarily remember the opinion given on the Liberal Administration not by a Conservative, not by a friend of the Canadian Pacific, but by a good Liberal, by one of the Liberal chieftains in our province, who said that the Liberal party was, one day, all-powerful at Ottawa, but that corruption and graft had involved its ruin. Mr. Joseph Octave Mousseau, ex-member for Soulanges, is the gentleman who gave that opinion last fall. He was supported in the county of Soulanges, at the election of 1912, by the right honourable leader of the Opposition. In the county of Châteauguay he fought, with the right honourable leader of the Opposition, against the Conservative candidate, and in the Quebec Legislature he was chairman of the Private Bills Committee while awaiting his nomination as minister in Sir Lomer Gouin's government. There is another testimony besides this one, and it was given by Mr. R. L. Richardson, a Liberal candidate in the by-election of 1912. Surely, Mr. Richardson is not a Conservative, and the best proof of it is that, when he ran in the county of Macdonald we saw the leading Liberals of the West, of Ontario and Quebec come to his rescue in order to defeat my good friend Mr. Morrison, the member for that division. On the 13th of February, 1914, he published in the 'Winnipeg Tribune' an article in which he sharply critized the liberal administration about this enterprise of the Transcontinental. Here is what he said:

> Just what men like Sir Wilfrid Laurier, Mr. Fielding, Mr. Sifton, Mr. Graham, the then minister of railways, must think of the situation, would be interesting to know. Some of these men are still in public life, and others have retired, but they have certainly bequeathed a legacy to their country, which should stand as a monument to their disgrace for the next century or two, until their names shall have rotted in oblivion.
>
> The appalling corruption and mis-management in connection with this undertaking practically destroys it for all time as an asset to the Dominion. So enormously has the cost been enhanced, and so frightful will be the interest charges, that it will be impossible to pay operating expenses, interest on capital, and wear and tear, and afford to the settlers passenger and freight rates that are not prohibitory and that could afford any relief to the burdened taxpayer. The whole enterprise has been so bungled that it would probably have been better if the Government had taken $100,000,000 of the country's money and thrown it into the furnace for utter destruction.

I do not intend to recite to the House the history of this enterprise, because the facts are very well known. However, I shall quote certain words uttered by Sir Wilfrid Laurier, the then Prime Minister, when proposing this scheme to the House in 1903; they are to be found in volume 4, page 7676, of 'Hansard' for the year 1903:

> Therefore, let our friends on the other side of the House, and let our friends on this side of the House also, take note of this fact that with the exception of a few years of interest, to which I shall allude later on, we shall have this portion of the railway built by the Government from Moncton to Winnipeg without the cost of one dollar to the Canadian people.

In the course of the following year we had a general election in the country and I remember that the Liberal party inaugurated their campaign in the province of Quebec, at Sorel, where Sir Wilfrid Laurier, the then Prime Minister, held the first meeting. On that occasion the Liberal party had organized excursions from almost everywhere, and thousands of people were present. The question of the Transcontinental was the main question discussed at that meeting by Sir Wilfrid Laurier, and he there and then told his thousands of auditors that his government had undertaken to build a railway

of 1,800 miles long, from Winnipeg to Moncton, and he promised that this gigantic enterprise would be carried out by the Liberal party for a sum not to exceed $13,000,000 of Canada's money. This promise made by the then Prime Minister was greeted with enthusiasm and all the speakers of the Liberal party began at once to scour the province and the rest of the country, declaring that the people should support the administration which had pledged itself to build a railway of 1,800 miles long, for a sum of $13,000,000, and the people believed that all those speakers inspired by Sir Wilfrid Laurier were telling the truth.

When delivering his speech in 1903, Sir Wilfrid Laurier alluded to a question of detail with which he was to deal again later on; but to-day all the importance of that detail is realized by the people of Canada, and more particularly so since the recent date when the Minister of Railways submitted to the House the real amount which the country will have to pay for this enterprise, according to a statement prepared by the Department of Railways.

This road, which was to cost us $13,000,000, according to the formal promise made to the people of Canada, will cost us the enormous sum of $224,000,000, and here are the official figures to prove it:

Estimated cost of the road as completed on the 31st of December, 1914: $161,307,800; interest during the construction, at 3 per cent, up to December 31st, 1913, $15,136,289; estimated interest on expenses, up to December 31st, 1914, $5,293,322.67; capital fixed for rental purposes up to January 1st, 1915, $181,737,411.67.

Interest on $181,737,411.67, at 3 per cent, capitalized for 7 years, from January 1st, 1915, to January 1st, 1922, $41,776,681.31

If the railroad does not earn 3 per cent more than its working expenses would amount to during the three years ending on December 31st, 1925, the interest is added to the capital for three more years, which is increasing the capital cost by $20,725,791.30, and making the estimated cost of the road $244,239,884.28.

This is very different from the figure of $13,000,000 which the Liberal party was talking about in 1903 and 1908. Our friends on the other side of the House may deliver some three, four or seven-hour speeches, but they shall never succeed in subverting the fact that this railway shall cost us $244,000,000, which is too large a sum for the present conditions of Canada.

There were men in 1903 who predicted the exact results which we are reaping to-day from this enterprise, and amongst them the right honourable R. L. Borden, the then leader of the Opposition, who denounced in very strong words the decision so blindly arrived at by the Liberal party.

Another man, the honourable Mr. Blair, Minister of Railways in the Liberal government in 1903, denounced, and very strongly so, this enterprise of his party, and rather than make himself responsible for it, he who knew the position better than any, because he was the Minister of Railways, decided to step out of the Laurier cabinet, and in a memorable speech delivered in this House, he predicted exactly that the construction of this railway would drive the country to the edge of an abyss.

The Liberal speakers may deliver speech after speech and their papers may publish numbers of articles, but the people of this country, after hearing those orations or reading those writings will always come back to this subject and ask the Liberal party how and why they have squandered $40,000,000 in this enterprise.

The Liberal party promised the people of Canada that this railway was to be the people's property and since 1903 they never missed one single opportunity to make the people believe that.

We know that the object of such a promise was to deceive the public, for the Grand Trunk Pacific Company, composed of a score of good friends of the Liberal party, will be the absolute owner of that railway according to a fifty year lease which they were granted by the Liberal party. Then, during fifty years from this day on, the Grand Trunk Pacific will have the exclusive right to operate that line, to charge the freight or passenger rates which they may think proper, and they will get the exclusive benefit of the operation of the line if benefit there be. Not only will the people of Canada be precluded from enjoying any right of property on the Transcontinental, but as long as the lease exists, they will be called upon to disburse millions of dollars with no hope of a repayment. In fact, according to the agreement passed between the Liberal government and the Grand Trunk Pacific Company, that company is bound to pay no other rent than 3 per cent on the cost of construction of this line. As I have already stated, the people of Canada have paid for the construction of the whole road, and they are obliged to pay three and a half per cent on the cost of the road, while getting but three per cent, and thereby making a loss of one half per cent, which means this, that

during the fifty year lease of the Grand Trunk Pacific, Canada will lose, every year $617,570.46 if we take as a basis $223,514,092.98 as being the cost of the road up to the 1st January, 1923, when the Grand Trunk Pacific must begin to pay interest. And the total loss to the country, during the whole term of the lease, ensuing from the difference between the interest that we pay and the interest that we get, will be $30,878,523.

If the Grand Trunk Pacific do not earn 3 per cent over and above the working expenses from January 1st, 1923, to December 31st, 1925, they will be under no obligation to pay the government their 3 per cent rent during that same period, and consequently, they will have enjoyed the absolute possession of the road for a period of ten years without disbursing anything. But in this case, the road will cost the country $244,239,884.28 and the difference between the interest to be paid afterwards at the rate of 3 per cent, and the three and a half per cent interest which we pay, will amount to $908,687 per year and represent a total loss to Canada of $45,433,000 for the term of the lease.

This is the way we own this road which was to be ours, according to the reiterated promises of the Liberal politicians.

The present generation has made great sacrifices to build this line, and yet that generation will have vanished away before deriving the least advantage from the enormous expense it has incurred, and during fifty years from now on, it must comply with the desire and the will of the Grand Trunk Pacific Company.

The methods resorted to from beginning to end, by the late Administration, in this enterprise, are somewhat curious to examine.

Since the beginning of this debate, a few Liberal members have alluded to Mr. S. N. Parent, the ex-president of the Transcontinental, as being a great lawyer of the city of Quebec. Evidently, those gentlemen do know but very little about Mr. Parent as a lawyer; otherwise they would not have spoken as they have done. True it is that Mr. Parent is a lawyer, but true it is also that he never pleaded a single case and never was considered as a legal light in his province.

It may be well to recall under what circumstances the Liberal Government had entrusted to Mr. S. N. Parent the presidency of the Transcontinental. It was in 1905, and at Quebec, was being written a page of the history of the Liberal party which will surely not be considered as one of its brightest. In fact, the great majority of the Liberal members of the Quebec Legislature had turned against their Prime Minister, who was the hon. S. N. Parent, and Sir Lomer Gouin and the hon. Adélard Turgeon were leading the movement. Those Liberal members had lost all confidence in the man who, so far, had been their chief. The Liberal party was in full revolt and refused to follow the direction of Mr. S. N. Parent any longer. Shall we ever know the reasons why Mr. Parent's followers had ceased to have confidence in him? However, the public has always been under the impression that the rebels of the time had serious grievances against their chief, and after all, the fact of having lost the confidence of his followers was nothing that could recommend him for such an important position as that of president of the Transcontinental. Setting decorum at defiance, Sir Wilfrid Laurier himself offered to Mr. S. N. Parent, the position of president of the Transcontinental commission, and he then and there declared that he was giving him the most desirable position at the disposal of his Government. Mr. Parent went to work and to understand the methods resorted to in order to build the line from Winnipeg to Moncton, a distance of 1,800 miles, is a real impossibility. That work was divided into twenty-one sections, all of which were very important. It is obvious that the Transcontinental commission, at the time, paid much attention to the big contractors, and in order to make things easier for them, it was decided that the contractors having no fortune, although they might have some talent, should be excluded from the offices of the Transcontinental, and here are the means which were used in order to obtain that result. It was said in the advertisements for tenders which were published in the papers, that those who wished to make a bid should comply with the following conditions:

> And we do hereby declare and agree that in case of refusal or failure to execute the said contract with the commissioners, and also to furnish the approved security required, to an amount not exceeding one-third of the estimated total consideration of the contract, for the faithful performance of the said contract, within ten days after the acceptance of this tender the said cheque shall be forfeited to the said commissionners to liquidate damages for such refusal or failure, and that all contract rights acquired by the acceptance of this tender shall be forfeited.

Those conditions were the surest means of turning out contractors who had no fortune. The commission reserved for itself the right to require from the contractors, as

a deposit, a sum of money equal to the amount of their tender, adding that if the contractor failed to make that deposit, they would have the right to forfeit the cheque representing the deposit, which he would send in with his tender. We shall more readily understand what this meant, when we know that, as to contract No. 1, the Transcontinental commission reserved for itself the right to require a deposit of $327-000, and if the contractor could not make it, the commission had the right to forfeit his $75,000 cheque which he had sent in with his tender, and thus it was with each of the twenty-one contracts. What was the result of such tactics? To have the whole con struction of the Transcontinental let to eleven contractors. And those eleven contractors have become the absolute masters of the former Transcontinental commission and also of the Liberal Government.

What was done by those eleven contractors, the favourites of the former commission? They sold all their contracts and realized profits varying from 10 to 30 per cent, and this, in many a case, before they had touched a shovel or a pick. Owing to the inqualifiable methods used in letting those contracts, these gentlemen have realized profits amounting to millions, and those who sustained losses were the sub-contractors, who got no more protection than the public did get from the commission or from the Government.

I shall take this opportunity to submit to the House what has happened, to my personal knowledge, in the district extending eastward from the Quebec bridge, in the counties of Lévis, Dorchester, Bellechasse and L'Islet. The main contract in this case had been let to Davis, under conditions which were quite irregular, as I shall prove further on. Davis had sold his contract to the Quebec Contracting Company, but it was thought among the public, generally, that the work was being executed directly by Davis, and that is the reason why so many persons supplied goods to the Quebec Contracting Company, to the amount of thousands of dollars; they believed that Davis was responsible for the price of those goods. The Quebec Contracting Company was unable to fill the contract which it had got from Davis, and was wound up. This had a disastrous effect in all those counties; many a tradesman has lost important sums of money and the salaries of hundreds of workmen have remained unpaid. It will be noticed, however, as I shall prove a little further on, that in this enterprise, Mr. M. P. Davis and Mr. J. T. Davis have realized enormous profits.

Another case is that of Messrs. M. Naud and Perreault. These gentlemen did some work on that section of the Transcontinental for which Davis had the contract and which extends westward from the Quebec bridge, a distance of fifty miles. Messrs. Davis had a sub-contract with Roberge and Chagnon, and these latter had let a sub-contract to Naud and Perreault. In filling that sub-contract, Naud and Perreault made an excavation, under water, of 2,886 yards of solid rock, for which they were to get 75 cents per yard, whereas the price paid to Davis was $1.50 per yard. Naud and Perreault have filled their obligations, but Davis made a final settlement with his sub-contractors Roberge and Chagnon, unknown to Naud and Perreault, with the result that Naud and Perreault have not yet been paid the sum of $2,100 which is due to them since 1908. Roberge and Chagnon are now in parts unknown and Davis has received big profits, whereas those who should have been paid first have not received anything so far.

The former commission never cared to protect the public, and in many a case the contractors have committed abuses on the properties crossed by the Transcontinental and have laughed at the farmers, at the tradesmen and at their workmen.

I say again that the Transcontinental commission, of which Mr. Parent was president, has shown exceptional kindness to the eleven big contractors with respect to the twenty-one contracts, and that if some detectives of the Burns agency had been called upon to watch what has been going on at the time, as they have done last winter at the Quebec Legislature, surely the detectaphone would have revealed the true causes of that protection which was bestowed on some all-powerful contractors, and that we would have also an explanation of those fortunes which were amassed in so short a time by certain persons.

I wish to say a few words of what has happened as regards contract No. 8. This contract was for the construction of the Transcontinental on a distance of 150 miles eastward, from the Quebec bridge. As you see, this was a very important contract. The engineers of the Transcontinental say that they have handed to Mr. Parent himself the estimates of the Government for this contract before the tenders had been sent in. Did M. P. and J. T. Davis see those estimates after Mr. Parent had got them, in order to prepare their tenders? Here are the facts and I leave it to the House and to the public to draw their conclusions. The esti-

mate handed to Mr. Parent by the engineers contained no price for the wooden piers. Those estimates were remitted to Mr. Parent on the 23rd of January, 1907. The tenders were to be received on the 14th of February, 1907. After he had remitted to Mr. Parent, on the 23rd of January, 1907, the estimate which did not contain any price for the woodwork, the chief engineer noticed having forgotten something and he prepared a new estimate in which he included the woodwork (trestles, etc.); but he did not remit that estimate to Mr. Parent. The tenders were received on the 14th of February, 1907, and after a calculation of those tenders by the engineers, as was usually done, in order to ascertain who had the lowest, the said engineers reached the following result:

		Difference between tenders.
Grand Trunk Pacific Railway	$5,078,334 77	
M. P. & J. T. Davis.	5,105,389 24	$ 27,044 47
O'Brien & Mullarkey	5,245,586 55	140,197 31
Russell & Chambers Co	5,269,671 22	24,084 67
Difference between highest and lowest tenders		$191,326 45

The bid made by Davis was, consequently, $27,044.47 higher than that of the Grand Trunk Pacific, and the contract should have been awarded to the lowest bidder as the public interest demanded that it should be done.

Mr. Parent was there and then informed that the chief engineer had corrected, as it was his duty so to do, the first estimate given to Mr. Parent on the 23rd of January, 1907, that is, three weeks after the tenders had been sent in. Mr. Parent was not satisfied with that. It was then the 18th of February, 1907, the tenders had been opened and Mr. Parent knew their contents. He knew that Mr. Davis did not have the lowest tender; but the contract must be awarded to Davis. In order that this might be done, Mr. Parent ordered the chief engineer to stick to the estimate which had been handed to him by this latter on the 23rd of January and which was erroneous, and he had that estimate signed by the chief engineer, Mr. Lumsden, and by the assistant chief engineer, Mr. Macpherson, on the 18th of February, 1907.

As I have said, the tenders had been sent in on the 14th of February, 1907, but the figure was taken off the estimate signed on the 18th of February, 1907 by Lumsden and Macpherson, in such a way as to create the belief that the estimate had been prepared on the 8th of February, that is, before the tenders had been received.

Had Mr. Parent shown Mr. Davis the estimate which had been handed to him by the chief engineer on the 23rd of January? He says in his deposition that he does not recollect having done so. One thing is certain and it is this: Davis got the contract by means of this estimate, and he could not have got it had the right estimate such as corrected, been taken as a basis.

This contract was awarded to M. P. and J. T. Davis for the price of $5,011,343.50, and up to the 31st December, only 80 per cent of the work had been done, and however, the work called for by this contract should have been completed by the 1st of September, 1908. On the 21st of December Davis had estimates to the amount of $6,-341,855.99, or $1,330,609.40 more than implied by his contract.

This contract contained 103 items, and with respect to one only, that is, the item of the filling by train, Davis had estimates for 2,700,000 cubic yards. This item gave Davis 45 cents per yard according to his contract with the Transcontinental commission, and he had sold his contract to a sub-contractor who got 29 cents per cubic yard, which left a net profit of 16 cents per yard for M. P. Davis, who realized $432,000 net profit on this one item.

Here are a few of the prices which Davis got from the Government and paid to the sub-contractors:

	Main contractors.	Sub-contractors.
Item 4, solid rock..	$ 1 45	$ 1 26
Item 5, loose rock	65	42
Item 6, common excavation	27	22
Item 59, concrete 1-2-4...	15 00	11 00
Item 62, concrete 1-3-5...	10 50	8 15
Item 63, concrete 1-3-6...	10 00	7 60
Item 74c. train filling....	45	29

As you see, it was important that this contract should be obtained, and it is probably for this reason that such serious irregularities as those above mentioned were indulged in without any hesitation, in order to favour a powerful friend. No doubt that, realizing such profits, Davis must have often repeated the words 'very decent,' 'very decent.'

Contract No. 8 is not the only one by means of which Davis has realized profits extraordinary and altogether unjustifiable. By means of contracts Nos. 16 and 17 he received many hundred thousands of dollars for which he did no work. Those contracts, Nos. 16 and 17, were awarded to M. P. and J. T. Davis on the 29th of

October, 1908, at prices much higher than those generally given by the Transcontinental Commission to the other contractors. The following list compares the prices awarded to Davis for those contracts, Nos. 16 and 17, with the prices awarded to the other contractors for work of the same nature on the Transcontinental:

	Prices paid.	Average price on other contracts.
1. Clearing	$ 60 00	$ 50 00
3. Grubbing	175 00	145 00
4. Solid rock	1 90	1 60
5. Loose rock	85	60
6. Common excavation	43	29
7. Ex. in foundations	1 50	97
8. Ex. in cofferdams	5 00	3 12
10. Piles delivered	40	28½
12. Sheet piling	80 00	57 00
13. Sheet piling, Wakefield type	100 00	74 00
15. Pole drains	75	52
16. French stone drains	2 00	1 52
17. Paving in culverts	7 00	4 01
18. Crib filling	4 00	2 24
19. Riprap, hand laid	5 50	2 98
20. Riprap, randim	4 00	1 90
22. Round logs in cribs	40	26½
23. Cedar mudsills per M	50 00	40 50
24. Framed trestles per M	90 00	52 00
25. Caps, &c., per M.	90 00	51 40
26. Ties and guard rails per M	90 00	50 77
27. Stringers per M	90 00	62 00
28. Cedar in culverts.	50 00	43 50
29. Plank in crossings.	45 00	32 50
30. Timber in culverts.	50 00	43 50
30a. Timber in cofferdams	60 00	44 00
30b. Timber in caissons	100 00	66 43
58. Concrete in 1-2	30 00	16 40
59. " 1-2-4	18 00	14 00
60. " 1-3-5	17 50	13 00
61. " 1-3-6	16 00	12 00
61a. " 1-2-5	18 00	14 60
62. " 1-3-5 in arch culverts	17 50	13 00
63. Concrete in 1-3-6 in arch culverts	16 00	12 42
64. Concrete in 1-3-6 in box culverts	16 00	11 50
65. Concrete in 1-4-8	14 00	10 75
66. " 1-4-8 in walls of buildings	16 00	11 68
67. Masonry, first class	25 00	17 00
68. Masonry, second class	18 00	13 50
69. Masonry, third class	16 00	10 30
70. Masonry, dry	10 00	7 00
71. Masonry, in arch rings	30 00	23 40
76. Ties, first class	70	51
77. Ties, second class	65	46
78. Switch ties, per M	70 00	45 00

The work relating to contract No. 16 should have been completed on the 31st of December, 1910, and the work to be done according to contract No. 17 should have been completed in March, 1911.

Several months after those contracts were signed, Messrs. Davis had not yet begun to work. Of this the president of the Grand Trunk Pacific complained bitterly in a letter addressed to Sir Wilfrid Laurier himself on the 2nd of August, 1909:

My dear Sir Wilfrid,—On the 29th day of October, 1908, the National Transcontinental Railway Commissioners awarded two contracts for the construction of about 204 miles on sections 'D' and 'E' of the National Transcontinental Railway. The first section starting on the west end of Fauquier Brothers' Abitibi contract, in the province of Ontario, about 100 miles west of Cochrane, for a distance of 104.24 miles; the second contract commencing at the termination of the first and joining Fauquier Brothers' contract north of Lake Nipigon, a distance of 100 miles. By the terms of these contracts the work was to commence immediately after the execution of the agreements to be proceeded with continuously and diligently under the personal supervision of the contractor until completed, the date of completion being December 31, 1910.

This work is remote from rail transportation, the closest point being 100 miles west of Cochrane. The prices at which the work was awarded were very high and consequently sufficient to allow contractors to build tote roads or some other means of transportation and getting in supplies so as to immediately commence work. To the best of our knowledge no attempt has been made as yet to open this work, and the indications are that while the work, as before stated, was let at very high prices on account of the difficulties of transportation, it is now the intention of the contractors to haul their material over a portion of the Fauquier Brothers' track work, on which will be completed the present season, say about 50 miles, and haul along right of way to their own section 50 miles distant. This delay will add largely to the profits of the contracts with no commensurate advantage so far as the National Transcontinental railway is concerned, and under the circumstances I will ask that the Government arrange for the cancellation of existing contracts and ask for new bids which can undoubtedly be obtained on very much reduced schedule prices, particularly so if it is known that the contractors will be enabled to haul their material and supplies over such portion of Fauquier Brothers' work as track has been laid up.

Yours very truly,
CHAS. M. HAYS.

Mr. Hays also sent a copy of this letter at a later date to Mr. Parent, asking for the cancellation of the contracts, and that new tenders be called for this work. Mr. Parent refused to take any action, and we do not find that any pressure was brought to bear on the contractors to take steps to ensure the early completion of these two contracts.

The Transcontinental was in duty bound to cancel these two contracts awarded to

Davis, and they had a perfect right to do so under clauses 8 and 20 of the agreements. But Davis was not interefered with and clearly he had elbow room with the commission and more control over the matter than the very men who were bound to protect the public interest. Those contracts awarded to Davis were not cancelled, and on September 16th, 1909, they were sold by Davis to O'Brien, O'Gorman and McDougall. These gentlemen agreeing to pay over to M. P. and J. T. Davis 10 per cent of the total cost of the work which was to be done on those two contracts.

The Transcontinental Commission under the control of its president, Mr. Parent, and the Liberal Government itself, sanctioned those two transfers. This handsome transaction, up to the month of October, 1913, had yielded over to Mr. Davis net profits amounting to $740,000, and Mr. Davis made this profit out of the contract without having to turn a spade or risking a cent himself.

These two instances show how truly solicitous the Transcontinental Commission was for its contractors. and it is on good ground that the investigation commission states in its report that throughout this great national undertaking the late Government sought to encourage extravagance without ever troubling itself about economy.

How are we to account for the Grand Trunk Pacific Company having encouraged such a recklessness and wantonness of expenditure? Simply for this reason, that the Grand Trunk Pacific Company had been awarded five contracts for the construction of 353 miles of the Transcontinental. On the 31st December, 1911, this company had government estimates amounting to $15,365,000.

The former Transcontinental commission, in its dealing with the Grand Trunk Pacific, exhibited the same extravagance with the other contractors, and should that company have advocated economy, it would have suffered from it, in the carrying out of the five contracts it had been awarded.

The Grand Trunk Pacific Company made enormous profits out of its contracts without taking any risk, by sub-letting all its contracts at a profit of 5 per cent, and on the 31st December, 1912, it had already received net profits amounting to $768,250, accruing from that 5 per cent. The contracts awarded to the Grand Trunk Pacific Company by the Transcontinental Commission were as follows and were carried out by the contractors whose names appear opposite each contract:

No. 1—50 miles to Corbett and Floresh.
No. 2—39 miles to Toronto Construction Co.
No. 4—67 miles to Toronto Construction Co.
No. 11—46 miles to Macd and O'Brien.
No. 14—158 miles to J. H. Reynolds, Foley, Welsh and Stuart.

None of the guarantees given by the Liberal Government in connection with this undertaking were adhered to, and there is no better way of proving it than by examining each one of the 21 contracts.

Contract No. 1, engineer's estimate of cost, $1,017,051.43; contract awarded to the Grand Trunk Pacific Railway Company, the latter undertaking to carry out this contract for the sum of $989,895.90.

The date for the completion of the work was September 1st, 1908, and it was not yet finished in 1912, but on 31st December 1911, the contractors had an estimate of $2,214,-311.20.

Contract No. 2, chief engineer's estimate of cost, $326,341; contract awarded to the J. W. McManus Company, for a sum of $289,190.62. The date of completion for this contract was August 1st, 1908, but it was not yet finished in 1912, and the contractors had already estimates for an amount of $587,081.

Contract No. 3, estimate of the cost of construction, $933,137; contract awarded to the Grand Trunk Pacific Company, for $767,435. The date of completion of the work was September 1st, 1910, and it was not yet finished in 1912. The contractors had then estimates amounting to $1,042,618.

Contract No. 4, estimate of cost $3,356,389. Contract awarded to the Grand Trunk Pacific Company for $1,898,124. The date of completion of the work was September 1st, 1910, and it was not yet finished in 1912. The contractors had then estimates amounting to $2,805,000.

Contract No. 5, estimate of cost, $2,232,891. Contract awarded to the Willard, Kirchen Co., for $1,646,253. The date of completion of the work was September 1st, 1910, and it was not yet finished in 1912. The contractors had then estimates amounting to $3,023,784.

Contract No. 6, estimate of cost, $1,478,395. Contract awarded to Lyon and White, for $1,385,941. The date of completion of the work was September 1st, 1908, and it was not yet finished in 1912. The contractors had then estimates amounting to $2,409,112.

It would be superfluous to mention each contract, but let it suffice to say that in each contract the conditions as to time and

prices were not complied with by the contractors who benefited thereby, without any consideration for the public interest.

Let us now come to what the old Government did in connection with certain transactions in the city of Quebec.

We have evidence that in those transactions thousands of dollars were paid by the Transcontinental Railway Commission out of sheer favouritism and the Government had received no consideration whatever for the sums thus paid by them. I am referring to Mr. Bergevin's transactions. One Adolphe Chevalier had a dock-yard in the city of Quebec, which was located on a piece of ground belonging to the Duchess of Bassano. Chevalier occupied that piece of ground under a lease which was to expire on the 30th April, 1912. He had been advised that his lease could not be renewed after that date. Mr. Raoul Bergevin, a close friend of the hon. S. N. Parent, who was well aware that Chevalier would have to remove his graving-dock on the 1st of May, 1912, offered to buy his rights for the balance of his lease for the sum of $4,000. This took place in August, 1911, a few weeks before the general election. Bergevin told Chevalier that he was buyer for the Transcontinental and that he would give him this $4,000 for the balance of his lease provided Chevalier promised him not to work for the Conservative candidate in the division of Quebec West. That Bergevin was aware that the lease was to expire on the 30th April, 1912, is shown by Bergevin's evidence before the Investigating Commission, (page 575) which is as follows:

Q. But his right was over on the 30th April?—A. Yes.
Q. You knew that?—A. Yes, and that was in September.
Q. And he was to keep possession?—A. Until the 1st of May.
Q. Then he would have to get out anyway?—A. Yes.

Being well aware of the fact, Bergevin paid over to Chevalier $4,000, and Chevalier remained in possession of the graving-dock, the plant, etc., and continued to keep possession of it till the lease was over, and on the 1st of May, 1912, he removed everything himself and remained the owner of it.

There is no doubt that Chevalier himself could have got nothing from the Transcontinental Commission, but Bergevin sold to the latter for $4,250, absolutely nothing, and we have the evidence of Mr. Bergevin himself, page 617 of the report, which is as follows.

Q. You did not own the Bassin de Radoub?—A. No, only the right to the 1st of May.
Q. You knew quite well you did not own that Bassin de Radoub?—A. Yes, I did not buy any property.

And yet the deed of sale, dated October 10th, 1911, passed before C. E. Taschereau, notary public of the city of Quebec, says that Bergevin was the owner of the graving dock, as evidenced by the following extract from the deed of sale:

Whereas the said parties of the other part, for the ends of their railway line, require the demolition of a graving dock belonging to the said party of the one part situate upon the lot number two thousand five hundred and twenty-five (2525) on the official plan and book of reference of the cadastre for Champlain Ward, in the city of Quebec, which is the property of the said R. R. Bergevin, he having purchased it from Adolphe Chevalier, by deed of the twenty-sixth day of August, 1911, before Jos. Allaire, N.P.

There is no doubt that this clause was inserted in the deed, in order to have people believe that Bergevin was the actual owner of the graving dock, and yet Mr. Parent who is a lawyer and Mr. Taschereau who is a notary public had before them when they passed that deed, the notarial deed passed between Chevalier and Bergevin, on the 20th August 1911, before notary Allaire.

Mr. BUREAU (translation): Would the hon. gentleman allow me to tell him that what he has just stated shows that Bergevin was the owner of the property?

Mr. SEVIGNY (translation): Mr. Speaker, I have stated that the Duchess of Bassano was the owner of that property.

Mr. BUREAU (translation): What does he sell?

Mr. SEVIGNY (translation): Nothing, absolutely nothing, as will be seen by exhibits 35 and 36 of the report.

But there is another most serious feature to be pointed out in this transaction. Mr. Parent tells us that he resigned his position as president of the Transcontinental Railway Commission on the 6th October, 1911, and yet it was by an authentic deed passed before notary Taschereau, on the 10th October, 1911, (exhibit No. 36) that he undertook, on behalf of the Transcontinental Railway Commission, to give Mr. Raoul Bergevin $4,000 for nothing.

Bergevin states that he really made that transaction with Mr. Parent himself as shown by his evidence, page 576 of the report:

Q. With whom did you make it?—A. Mr. Parent.

Q. He is a lawyer?—A. Yes.
Q. And a very distinguished lawyer?—A. I had to pass that before the notary, Taschereau.
Q And you made the bargain with Mr. Parent himself?—A. Yes.

Let us now review the transaction made by Mr. Parent and Mr. Bergevin in connection with the Martineau ice-house, (exhibits 32 and 33 of the report). Mr. Bergevin tells us again that he made that transaction with Mr. Parent, on the 11th August, 1911. Bergevin bought an ice-house from Martineau for $2,000; and here again he took good care to tell Martineau that he should abstain from working against the Liberal candidate in the division of Quebec West.

On the 30th September, 1911, after the general election was over and a few days before Mr. Parent resigned his position as president of the Transcontinental Railway Commission, Bergevin sold this ice-house to the Commission by a deed signed by Mr. Parent, for $3,700. Within the space of one month, that ice-house had increased $1,700 in value. There is no doubt that Martineau himself could not have got a single cent from the Transcontinental Commission for this ice-house; but it was quite a different case with Mr. Bergevin who was then doing campaign work in the county of Montmorency, as he himself states, for the son of the president of the Transcontinental Commission, who was then running in that constituency as a Liberal candidate. The hon. member for South-Renfrew (Mr. Graham) has denounced in this House the change made by this Government in the site of the Transcontinental shops which the old Administration had decided to build at Cap Rouge, about eight miles from Quebec. A few political friends of the old Administration having heard that the Transcontinental shops were to be built at Cap Rouge had bought a considerable tract of land in that locality, with a view to making a most profitable speculation. But then you should have seen how they raged and fussed when it was decided that the shops were to be built at Saint-Malo, instead of being built at Cap Rouge, and one of those speculators even went to the length of saying that he would spend $25,000 to defeat Napoleon Drouin, the mayor of the city of Quebec, because he had approved of the project of building the shops at Saint-Malo.

Mr. ETHIER: (translation) Would the hon. gentleman allow me to put a question? Could the hon. gentleman name the men who were to derive such enormous benefits from the transactions he has just referred to?

Mr. SEVIGNY (translation): Yes. In answer to my hon. friend, let me tell him that I was referring to Mr. Amyot, a legislative councillor and the owner of a large tract of land at Cap Rouge. When he heard that this gentleman had decided to build the Transcontinental shops at Saint-Malo, and that the mayor of Quebec, Mr. Drouin, had approved of it, he stated that he would spend $25,000 to defeat Mr. Drouin at the next contest for the mayoralty.

Mr. ETHIER: (translation) Who are the men who were to derive such considerable profits from those transactions?

Mr. SEVIGNY: (translation) I named Mr. Amyot.

Mr. ETHIER: (translation) Who are the men who were to make such large profits? You are proceeding by innuendos and insinuations, whereas you should give the names of the people who were to derive such enormous profits from those transactions.

Mr. SPEAKER: Order, Order.

Mr. ETHIER (Translation): I raise a point of order. I ask the hon. gentleman to name those people.

Mr. SPEAKER: I do not see any point of order; it is merely a question that the honourable member is putting to the member for Dorchester.

Mr. SEVIGNY (Translation): Evidently there is no point of order.

The old Government had decided to build the shops at Cap Rouge. I stated that certain speculators had bought land at Cap Rouge with a view to making money thereby, seeing that the Liberal Government had decided to construct the Transcontinental shops there, and when finally it had been desired to buy a site at Saint Malo with a view to building those shops there, these same speculators, when they realized that they could reap the profits they were in hopes of deriving from their property at Cap Rouge, uttered threatening words, among others against Mayor Drouin, as I said a little while ago.

They have also found fault with the Government because they had decided to build the union station on the Champlain market site. Yet, this decision has met with popular approval in the city of Quebec, because the Champlain market site had

been forced upon the city of Quebec and against the will of the citizens in general, with the exception of a few speculators who had bought all the properties in that quarter, for which the Government would have had to pay exorbitant prices, had the station been built on the Champlain market site.

How strange to hear our opponents finding fault with what the Government is doing for the city of Quebec, when everybody knows that, during their long lease of power of fifteen years, they never troubled themselves about the interests of our city.

In the city of Quebec, friends of the old Government have succeeded in making considerable money, and particularly the office of Taschereau, Roy, Cannon and Parent. On the 2nd October, 1911, after the downfall of the Liberal party, Mr. L. A. Cannon applied to the Exchequer Court at Ottawa, for 99 warrants in possession for the Transcontinental Commission on all the properties situated in lower-town between the Champlain market site and Cap Blanc, and yet it was already a matter of public notoriety that this Government would not carry out the project of the Liberal party in that regard. Mr. Cannon succeeded in making a few thousand dollars which were paid to him by the Transcontinental Commission, and this shows that before resigning his position, Mr. Parent had unduly favoured his political friends, without troubling himself in the least about the public interest which he was bound to safeguard.

Mr. Speaker, one could make endless speeches and weary himself out denouncing all the scandals perpetrated by the old Administration in the building of the Transcontinental.

In conclusion, let me tell the House that the Liberal party went to the people in 1908 with the slogan: 'Let Laurier finish his work.' The Transcontinental had been decided upon by the Liberal party in 1903, and Sir Wilfrid Laurier then said that time would not wait, and that there was no opportunity for pausing and deliberating, before taking action.

He then told the people of Canada: 'Let us hurry up and build the Transcontinental, in order to keep the trade from the west for our Canadian ports, and if we neglect to construct that line now, we shall soon see our western traffic diverted to the United States.' A few years later, when the country had spent hundreds of millions of dollars, in defiance of the promises made to the public, for the construction of that railway, the same Liberal party came down and told the people that they must approve of the reciprocity treaty entered into with the United States, and by the very fact they were asking the people of Canada and particularly the western provinces to send their products to the United States and to American ports. There was a gross discrepancy between what the Liberal party had promised us in 1903 and what they proposed to us in 1911, and the people of this country refused to approve of such inconsistency and that is why on the 21st September, 1911, they made up their minds that the Liberals had governed the country long enough. The Liberal party wanted to construct the Transcontinental as a testimonial to their leader, without troubling themselves about the interests of the country, forgetful of the fact that men may come and men may go but the country goes on forever. This Transcontinental undertaking such as carried out by the Liberal party shall stand as a monument to the Liberal party in the future, but the record shall never be a credit to that party.

Mr. ARTHUR LACHANCE (Quebec Centre) (Translation) Mr. Speaker, the House, I presume, does not expect me to follow the hon. gentleman who has just taken his seat, through the field which he has thought fit to cover. My hon. friend from Dorchester has been proceeding by innuendos with regard to men who have been held in the highest esteem and have enjoyed the full confidence of their fellow countrymen. To mention only one name, the Hon. S. N. Parent upon whom my hon. friend has tried to cast suspicion as to his integrity in the administration of the Intercolonial, is so much above those attacks that it would be a needless task to repel those attacks, because public opinion has already undertaken to refute them. For fourteen years, Mr. Parent has enjoyed the confidence of the rate payers of the city of Quebec; moreover, for eight or ten years, he has been a Crown Minister and even Prime Minister of the province of Quebec, and after so many years passed by Mr. Parent in the public life of this country, no one has yet been able to point out a single instance in which he has been guilty of a breach of the laws of honour and integrity in the discharge of his official duties. Such is my answer to the remarks of the hon. member for Dorchester, and to the speech which his frame of mind has inspired him to make.

For my part neither in public life nor in private life have I ever made it a practice to proceed by innuendos. This course I

have ever adhered to during the many years I have practised law and I have always endeavoured to see facts in their true light and to turn them to the best account. Therefore, I have made up my mind to adhere to such course, letting alone any insinuation or innuendo, and strictly confining myself to facts, when addressing this House. In reply to the insinuations of my hon. friend from Dorchester who would fool people into believing that the transaction in question was engineered with a view to getting money for replenishing the exchequer of the Liberal party, although he has refrained from so saying in so many words, I shall take Mr. Bergevin's affidavit and under the circumstances such a solemn declaration should carry more weight than the groundless insinuations resorted to by the hon. gentleman, in his endeavour to cast odium on the Liberal party.

Let me now read Mr. Bergevin's affidavit.

(Mr. Bergevin's affidavit.)

Canada.
Province of Quebec.
Quebec District.

I, the undersigned, Raoul R. Bergevin, of the city of Quebec, merchant, solemnly declare:

That I have taken cognizance of certain parts, reproduced and commented upon by some newspapers, of the investigation held by Staunton and Gutelius in connection with the construction of the Transcontinental Railway the report on which was lately brought down in the House of Commons and in which I am referred to as having received from the Transcontinental Commission the sum of seven thousand nine hundred and fifty dollars ($7,950) for my rights to an ice-house and other buildings coming from Napoleon Martineau, jr., and to a graving dock coming from Adolphe Chevalier, which I possessed in the Champlain ward, and in which it is stated that this transaction, made only with a view to the electoral contest, cannot be justified in law or in morals;

That as I am justified in believing that those unjust attacks are levelled at me, merely with a view to making political capital, I owe it to the public and to myself to give explanations on the various items or charges brought against me;

That on September 30, 1911, I accepted from the Transcontinental Railway Commissioners the sum of three thousand seven hundred dollars ($3,700) as an indemnity for rights which I possessed in the ice-house built on lot No. 2525, of the cadastre for the Champlain Ward for which I had paid $2,000 to Napoleon Martineau, jr., under a deed of sale passed before Couture, Notary Public, on the 19th August of the same year;

That this ice-house had been valued at the sum of $3,703.52 by Messrs. J. G. Scott, Georges, Emile Tanguay and Edmond Giroux, the three valuators named by the commission and who had the duty of making valuations of all the properties which the commission wished to take possession of in the city of Quebec;

That on October 6, 1911, I sold to the said commission the rights which I had to a graving dock situated at the same place for $4,250. I had acquired the rights thus sold from Mr. A. Chevalier under a deed of sale passed in my favour on August 26, 1911, and I paid him the sum of $4,000 as purchase price;

That two valuators, Mr. Tanguay and Mr. Giroux, had valued the graving dock at $3,500, while the third one, Mr. J. G. Scott, had differed in opinion from them and valued the property at $6,000;

That those transactions had been approved of before the execution of the deed by all the officers of the commission appointed for that purpose, and it was only after the required formalities had been complied with that the Transcontinental commissioners signed the deeds, through their president;

That although I am charged with having made those transactions with the commission with a view to procuring funds for the election of September, 1911, I must declare that there has never been between the Hon. S. N. Parent or anybody else and myself any agreement or promise, either directly or indirectly in this connection and that as a matter of fact I never subscribed any money for that election;

That the money which I paid as purchase price for the said ice-house and the graving dock came out of my own funds and was not given me either directly or indirectly by the Hon. S. N. Parent, who has not in any way, any more than myself, benefited by that transaction;

That the purchase made by me from Chevalier had no connection with the election of September, 1911, and the payment of $4,000 which I made to him had nothing to do with the election, and in proof thereof, Mr. Chevalier did work during that election exclusively in the interest of the Conservative party;

That it is not true that the bargain was made with the Hon. S. N. Parent, but with Mr. A. Tremblay, who had been appointed to purchase properties for the commission;

That I never was shown nor did I read the books of the Transcontinental Commission, and that the charge brought against me by some newspapers is untrue;

That, since my rights to the graving dock and the ice-house above referred to have been sold to the Transcontinental Commissioners, the latter have administered the property, since they have taken possession of it. It seems evident, notwithstanding anything to the contrary stated by the newspapers, that I had something to sell and that I have disposed of it in their favour;

That I never exhibited my title-deeds to the Hon. S. N. Parent, but that I merely handed them over to the notary intrusted with their preparation and I have received from the latter the cheques in payment of the above mentioned consideration in the same deeds;

That by a deed dated September 30, 1911, Mr. Jules Grenier who, I believe, is a good Conservative, disposed of his rights to an ice-house which he owned next to mine, in favour of the Government for a sum of $2,500, and as this deed is exactly similar to the one signed by me and as the agreements are absolutely identical, it is evident that the investigating commissioners Staunton and Gutelius did not deem it fit to debate his case, no doubt choosing to level their attacks at me, one of their political opponents;

And I make this solemn statement believing it to be true and knowing that it has the same

force and effect as if it were made under oath and under the Statute of Canada of 1893.

(Signed.) Raoul Bergevin

Made before me, in the city of Quebec, on the 19th February, 1914.

(Signed.) Cyrille F. Délage, N.P., C.C.S.

A true copy of the original

H. L. DeMartigny.

When the Hon. Mr. Parent was examined before the investigating commissioners, Mr. Staunton and Mr. Gutelius, he also denied under oath having, either directly or indirectly, received any money from Mr. Bergevin, and that the contract was a bona fide contract and that he believed that Mr. Bergevin had never subscribed any money for the election.

I need not dwell any further on that affidavit which absolutely sets at naught the laboured argument of the hon. member for Dorchester.

I now come back to the main subject matter and I wish to point out under which conditions and circumstances took place the investigation held by Mr. Gutelius and Mr. Staunton and the report made by them, as also the positions taken by the different political parties in Canada on that matter. In this connection, it may be said that the Transcontinental National Railway is exclusively the work of the Liberal party. From the very outset, when the project was mooted in 1903, the Conservative party opposed it in the House of Commons as outside of this House, and ever since they have never missed any opportunity of showing their hostility.

Upon two different occasions, at the general elections of 1904 and 1908, the people did approve of this undertaking; but our opponents stuck to their guns and maintained their fighting attitude. For a while they entertained the hope of battering in the project, by instigating the Hodgins investigation, but they were disappointed in their hopes and their investigation proved to be a flash in the pan. Such was the frame of mind of the Conservative party when they came into power, after the general election of September 21st, 1911.

From time immemorial the Conservative party have had a political ally in the Canadian Pacific Railway Company. Now this tried and unwearied friend saw in the Transcontinental a work which was indebted for its existence to a strictly Liberal initative, a most formidable competitor, owing to the immense superiority of the latter, resulting from its hauling power and the working facilities of the line, a superiority which has no equal throughout the American continent and gave it the undisputed control over the traffic in the districts accommodated by it.

Then or never was the time for the allies to pledge, acording to an antique and solemn custom, in an unmistakable manner, their friendship, and could there be found a more convincing pledge than handing over to the tender mercies of the unkind mother the young giant, so that she might crush the life out of him? That is why the Conservative Government hastened to give up their property, that is to say, the eastern section of the road from Winnipeg to Moncton to the discretion of Mr. Leonard and Mr. Gutelius the latter having been, up to then, in the service of the Canadian Pacific Company, and the former having been in the employ of the same company for many years. As there was an obstacle in the way, I mean the composition of the Transcontinental Commission, the Government did away with it and as there remained another impediment, I mean the superintendence, inspection and acceptance of the works of the eastern section by the Grand Trunk Pacific Company, the Government ignored that difficulty by dispensing with such superintendence, inspection and acceptance, contrary to clause 7 of the contract passed by Parliament in 1903.

Still, as the Government wished to put public opinion on the wrong scent, and draw a red herring across the track, as they wished to find some kind of pretense for mutilating the Transcontinental, as they intended to do, we have had, consequently, the investigation and the report of Mr. Gutelius and Mr. Staunton, a report adorned with digressions and so exaggerated that from its every page oozes out the constant thought, the deliberate endeavour of finding against the whole world crimes and criminals as also the greediness of salaried commissioners who are anxious to justify the $65 daily remuneration paid to them by the Government for running down and disparaging a national undertaking.

All the same, notwithstanding the warmth displayed by the investigators, what a disappointment this report has proved for the Government! What was to be done? Where there is nothing Cæsar loses his rights, and where there is no evil the devil himself is powerless. I say it again, what a disappointment! For, our public undertakings have always admitted of a special meaning for our political opponents: the Pacific scandal in 1873, the Quebec harbour scandal in 1889, the Curran bridge scandal and how many others were impressed in their memory with glistening

hues. But then, no sooner had they come into power than behold! They took their bearings; in their impatience to discover the trails of some new scandal. Alas! Sad for them to say, nothing has come out of that investigation and, to cap the misfortune, nothing new either. In fact, what does it amount to? A new edition of the charges which were the object of the Hodgins investigation and were disproved by the evidence, a new edition also of all the points raised in this House in 1903 and subsequently and have been threshed out ad nauseum.

Our opponents, further, wanted to put the public under the impression that the former Administration had squandered the public money, and so anxious were they to compass that end that several weeks before the production of the report, they announced in their newspapers that a useless expenditure of $40,000,000 had been undeniably established. Now, when this government countenanced those unjust denunciations, they had before them a report which proved that the public was being deceived. However, theirs was to be a short-lived joy; their report is now before the people and what is it after all, if not a vindication of the Liberal Administration and their uprightness in this undertaking, an attestation that this Government have redeemed the pledges given to the electors of the Dominion?

I do not intend to go into the details of this report, as several hon. gentlemen have already dwelt upon them, and I shall confine myself to a few general remarks.

The whole report is based upon a paradox and its conclusions may thus be summed up: you could have saved $40,000,000 had you constructed the line otherwise. Nonsense! who questions that proposition? why, it is a truism, and really they are paying Mr. Gutelius too high a salary when they give him $65 a day to find that out. I could go still further and say: surely, we could have spent one hundred million dollars less had we built the road differently; all depends on the mode of construction, and, consequently, is not this the only real question: could we save 40 million dollars and at the same time build a road which would be superior to any other road in Canada or in America as to hauling power, speed of trains, security of the passenger and freight traffic, working facilities and cost of management? Such is the only question which Mr. Gutelius takes precious good care not even to touch upon. Now, such was the kind of road which the Liberal Government had undertaken to build in order to keep abreast of the rapid progress of the West; they had so pledged themselves before the House when bringing down the Bill in 1903, and before the electorate at the general elections of 1904 and 1908; they had then given them the assurance that they would organize the line so as to secure to the St. Lawrence route the largest possible volume of traffic from the West and with this end in view, it was necessary to give the road a degree of efficiency unheard of so far in the railway world. Such is the only viewpoint from which one sought and could form a correct estimate of the cost of the undertaking.

But Mr. Gutelius, ignoring all these considerations relegates in the shade this aspect of the problem and taking as a term of comparison the existing railways, he infers therefrom that $40,000,000 has been squandered, without this expenditure of $40,000,000, a road might have been built the equivalent of the Canadian Pacific Railway, so dear to the heart of Mr. Gutelius, but not this Transcontinental railway which the Liberal Government intended giving Canada, and then it is quite true that Mr. Gutelius would not have experienced the sorrow of seeing that dread competition springing up from the Atlantic to the Pacific.

So, Mr. Gutelius, in order to render more plausible his deductions, felt it necessary to resort to a paradox, and to start from a false principle or at least from one diametrically opposed to that laid down by the Liberal Government in the construction of the Transcontinental.

Mr. Gutelius has interspersed his report with digressions which do credit to that amiable American imperturbability of his, and then takes all that into account in his data. I find a delicious sample of it when he finds fault with the construction of the eastern section, from Lévis to Moncton. Still, did not parliament, the Senate and the House of Commons decide upon the organization of that section as upon that of the other section of the road, after the question had been thoroughly threshed out under all its aspects?

But what importance are we to attach to the decisions of that legislative assembly, the highest authority in the Dominion, as compared with the views of Mr. Gutelius who poses as the infallible censor of its decrees? What! useless, you say that part of the road condemned by Mr. Gutelius, although it runs through the counties of Levis, Bellechasse, Montmagny, l'Islet,

Dorchester, Kamouraska and Temiscouata, not to speak of counties situated outside the province of Quebec? The road traverses municipalities, parishes, townships which for the most part have been settled of old, which are in great need of transportation facilities, and which, save Dorchester and Levis, possess no means of communication other than the Intercolonial. In some cases these localities can only be reached by driving over fifteen or eighteen miles of country roads. Let Mr. Gutelius tell the people whom this new road will henceforth accommodate so well that it is useless; and I am pretty sure that the retort will be short and sweet. No doubt hon. gentlemen on the other side who represent those constituencies are going to protest against that report and vote accordingly; I expect that the hon. member for L'Islet, among all others, will protest with the utmost energy, for already he has acknowledged and praised the usefulness and advantages of the Transcontinental as regards his constituency. In La Patrie of March 14, 1914, I find a letter under his signature addressed to Mr. Dupuis, on the subject of agriculture, from which I extract the following:

> I have not run down my county. No, thanks to the enlightened policy of the Conservative leaders, thanks to the improvements carried out in our district, thanks to the development of our national port, thanks to the completion of the Transcontinental, agricultural production will increase materially, and we shall be in a position to deal fairly with the farming class.

So I say these hon. gentlemen should repudiate this report; but if they remain silent, their constituents may rest assured that they will find in the ranks of the Liberals friends who will defend the rights and interests of their counties.

I notice another amusing instance illustrative of Mr. Gutelius' self-assertion, in his criticism of the Government for not appointing engineers on the construction commission, as if that commission had not at its disposal a staff of prominent engineers for advice and guidance. There is no situation more laughable than that.

It is no wonder then that it was not thought advisable to have Mr. Gutelius sworn as investigating commissioner; that would assuredly have been an awkward check on the fanciful excursions of that sovereign arbiter through the affairs of the Transcontinental. This is an ex-parte enquiry, just as if an accused person were to be tried without being granted the privilege of filing a plea and empanelling a jury. This is an ex-parte enquiry followed by pleadings, or rather by a most violent charge against a political party. Mr. Gutelius has made a superhuman effort with a view to fulfilling the expectations which his masters in Ottawa founded on his resourceful mind. True, he has disappointed them, but that was through no fault of his: simply there was nothing for him to work on. Apparently they are giving him credit for the good will he has shown, they have entrusted him with the management of the Intercolonial. Was that the promised regard for his aggresive inroads into the preserves of the Transcontinental? I am not in a position to say, but very likely the public when they are apprised of all these facts, will be of that opinion.

I also have been disappointed with Mr. Gutelius, though not on the same grounds as hon. gentlemen opposite. My disappointment is due to his utter silence as regards the circumstances and prime movers of the mysterious changes effected in connection with the building of the road in the course of the last two years between the lake Superior junction and the city of Quebec. He may have feared making some rather startling discoveries; or else he may have known beforehand how the matter stood having himself taken an active part in the happenings. Whatever the reason, the changes effected are as follows: When, in 1903, Parliament authorized the building of the Transcontinental, the understanding and the pledge was that Quebec would be, during the season of navigation, the main terminal point for shipments of freight, and particularly of grain, from the Canadian West, which this road had for its special object to move. The harbour of the old city of Quebec was at one time the busiest of all; then it was gradually deserted, as sailing ships were being replaced by steam launches, and wooden crafts by iron vessels, the effect being to carry further inland the head of ocean navigation and to make Montreal the great metropolis we all know. We are all aware of those facts. However, our opponents feign to be ignorant of them. For a number of years they have been endeavouring to explain away that desertion by the lack of accommodation, and for that lack of accommodation they hold the Liberal Government responsible, the charge being that the Government have not done anything for the port of Quebec since 1896.

The hon. Postmaster General has made himself the echo of such unjust denunciations before the House in the course of his

remarks in reference to the address in answer to the speech from the Throne: I quote his words:

Now, Sir, about what my hon. friend said for the port of Quebec. Whilst I said let us do what is right for the port of Montreal, I say, at the same time, Providence has given us in Quebec one of the finest ports to be found in the world. But this port has not been equipped so far. Though the city of Quebec has been represented for years by members of the Liberal party in this House, there is not to-day—there was not before we came into power—accommodation of berths for more than three ships in the great port of Quebec.

In other words, once more, the Liberal Government since 1896 has not done anything for the harbour and the city of Quebec. Such a statement presupposes a great deal of audacity and very little truthfulness, and no one will trust its sincerity. Who do you expect will be made to believe that the falling off of ocean shipments within the last fifteen or twenty years is due to lack of accommodation? Hon. gentlemen opposite know as well as we do that the only cause is the insufficiency of ocean freight, whether outgoing or incoming, which Quebec supplies, so much so that steamship companies, rather than have their ships stop to load or unload such freight, find it more to their advantage to ship it direct to Montreal and thence to have whatever is needed in Quebec sent back at their expense. The hon. Postmaster General is well aware of the fact, how many a time has the board of trade, and even the city council, strongly protested against that practice and insisted that the freight destined to Quebec firms should be unloaded on the way up. But all was in vain, the answer was always invariably the same: cargoes outgoing or incoming are not important enough.

Moreover, the hon. Postmaster General has himself given another reason besides the lack of accommodation. In the annual report of the council of the board of trade for the year 1913, at page 50, I find a summary of the meeting of April 16, 1913, where reference is made to two letters of the hon. Mr. Pelletier, one relative to the mail service, which is of no practical interest to us just now, and the other concerning the freight question. The views attributed to him in the latter connection are as follows:

The minister expresses the opinion that it is important to clear up the question of the cost of labour at Quebec, which according to the companies' contention, is from 65 to 70 per cent higher than in Montreal. That accounts for the freight being shipped to Montreal thence to be forwarded back here by rail. The minister thinks it would be a good thing if the Harbour Commission undertook the unloading of the ships having their landing port here at a rate per ton on a par with that exacted from the companies in Montreal.

So that, according to the hon. minister, that wicked Laurier Government is alone responsible. As regards proofs of the zeal of the Liberal Administration for the welfare of the port of Quebec, our opponents have had them constantly under their eyes since 1896 and have been in a position to record day by day its unmistakable manifestations. They surely must have noticed that the breakwater was extended over thousands of feet, at an expenditure of $2,500,000. That extension has rendered possible for the last five or six years the unloading at one time there of three of the largest of the great modern steamships. How is it that only one company practically made use of that wharf by bringing a steamship there every fortnight? There was nothing to prevent any other company from having its ships land at that point; why did they not take advantage of the opportunity if not solely on account of lack of traffic. Thinking people are aware of those facts, and hon. gentlemen opposite are wasting their time trying to have them view things otherwise than in their true light. That which accounts for the lack of traffic at that port, is the isolation of Quebec, especially during the winter season, from all the large railway and trade distributing centres. What would have been the use of the most improved plant and facilities as long as we remained unable to supply sufficient traffic to induce shipping companies to have their boats stop over at our port? That is just the very point in connection with which the Government endeavoured to help us.

The building of the Quebec bridge originally had no other object. That is another undertaking which the hon. Postmaster General apparently knows nothing of, an undertaking the cost of which was estimated originally at five or six millions, put at the disposal of the Quebec harbour. When the bridge company was formed, the building of the Transcontinental was not yet being considered; that bridge had then as its main object to afford an entrance into the city of all the railways along the south shore: the Intercolonial, the Grand Trunk, the Quebec Central, the Delaware and Hudson and several other minor lines running inland and having their terminals at Levis over one or the other of these lines.

I do not wish to provoke reprisals. But,

since our opponents are constantly repeating that the Liberal Government has not done anything for Quebec, I shall answer that we can proudly compare in that respect the action of the Liberal Administration with that of the Conservative Government from 1878 to 1896.

A single contract is found to the credit of the latter, the Louise Basin and pier, at a cost of about two million dollars, out of which from seven to eight hundred thousand dollars were fraudulently taken; and everyone knows that it was not to benefit the friends of the Liberal cause, but in favour of the friends of the Conservative cause.

To all accounts was not the construction of the Transcontinental the work par excellence which was to revolutionize the port of Quebec and make it one of the most active in Canada; and that thanks to the Liberal Government who took the adequate legislative measures to make it the principal terminal of that line? Then, if the Transcontinental is an accomplished fact the citizens of Canada, and particularly those of Quebec, surely owe no gratitude to the Conservative party for it; have not the Tories sufficiently fought against this enterprise in this House as well as on the public platform; have they not denounced it during the general elections of 1904 and 1908; but the electors, better advised and with better intent, marched on, and now congratulate themselves that this road has become an urgent need of this country. Moreover the antithesis is most amusing; it is really pleasant to see our adversaries take so much pains in trying to force upon the Quebec people the belief that the Conservative party is the saviour of our harbour exactly because of the works performed to implement it, and which are a necessary consequence of the Transcontinental. Would anything be said of these stations, these elevators, these warehouses, these docks, etc., were it not for this line?

Nevertheless, one feels that the present Government have a grudge against this Transcontinental; the Hon. the Minister of Finance gave it the cold shoulder last year in a speech in this House—perhaps in the Budget speech—and it was only unwillingly that they accepted the financial obligations deriving from it. He almost blamed it on the Liberal party for having placed this strong enterprise on the shoulders—weak it is true—of the Conservative party; I understand these complaints by comparing the vigorous new performer and the peevish purveyor that the Tory party is towards him. From that state of mind, the hon. the Postmaser General, although a Quebecker, has not escaped, and we had the counterpart of it, in Quebec, in the decisions which he took with the hon. the Minister of Railways and canals and Mr. Leonard.

They evidently chose to destroy the logic of the whole plans of the Transcontinental. Thus it was logical to locate the shops near the road at Cap Rouge, a point where all the rolling stock must pass from Prince Rupert to Moncton, to build the line along the river in order to have an independent and free circulation, to erect the elevators, stations, warehouses, freight yards at the Champlain market and vicinity, up towards Wolf's Cove and Lampson's Cove; all of which would have been bordered by deepwater wharfs which could have been lengthened at will to thousands of feet according to the growth of traffic. Everything harmonizes in this unity; the Transcontinental is at home, in furniture of its own as we say in law, having exclusive control of its line and terminals and being in direct and immediate communication with oceanic navigation through deep water docks. Anybody can appreciate the strong advantages of such an organization without being an engineer. I will incidentally quote Mr. A. Allan's opinion, who said, in connection with the docks owned by his company near Champlain market:

'I deeply regret,' stated Mr. A. Allan, 'to be compelled to leave such a fine site which ought in reality to be the center of oceanic trade of the harbour from the standpoint of navigation.

'This site,' added Mr. Allan, 'offered to steamers facilities that are not for the present met with anywhere else, and which the breakwater will never offer later.'

It is then natural that the construction commission guided by these engineers and the advice of the railroad shipping companies, and representatives of all shipping interests should have accepted this enterprise and that the Liberal Government should also have approved it, with the satisfaction, furthermore, of seeing the Board of Trade and the city council of Quebec then and now concur in these views. In fact, in the annual report of the council of the Quebec Board of Trade for 1913, I find a summary of the meeting held on January 30th, 1914; the chairman, Mr. W. A. Marsh, makes therein a review of the year's customs, and I read the following words on pages 10 and 11:

The change of government at Ottawa some sixteen months ago brought about a change of plans as to the terminals of this railway, and it is now proposed to have a union passenger

station with the Canadian Pacific, at the Palais, instead of at the Champlain market. We had thought the original plan good enough, especially as it would have given the Transcontinental spacious terminals of its own, under its own exclusive control, but as authorities versed in such matters think differently, the Board of Trade has expressed its approval of the change as a union passenger station, which would seem to us to be of minor importance.

But we are still on the more important question of freight of opinion that docks and elevators to handle the traffic for a few years at least should be built at or near the present end of the track at deep water on Champlain street, where it can be quickly done. The Board is not in any way opposed to the extension of the Louise docks. On the contrary, we cordially approve of the enlargement of these splendid shipping docks, which have already proved so beneficial to our city. But we fear it will be several years before these proposed improvements there can be made and connections established so as to be reached by the Transcontinental over its own rails. In the meantime, how is the western traffic to be handled?

I will again quote from Mr. Marsh, page 122, in a letter answering certain statements of a Quebec newspaper on the attitude of the Board of Trade in relation to the Transcontinental business.

Nevertheless we have done our best to draw the attention of the Government and of the public to the urgent necessity of making some immediate provision in the shape of docks and elevators to handle the traffic of the Transcontinental railway, which will be running this year, and of placing those facilities at some points already reached, or about to be reached by the tracks of the railway. It is admitted that the proposed improvements at the Louise docks excellent and necessary for the trade of the port though they are, will not fill these requirements.

Then, even to-day the Board of Trade upholds the terminal adopted by the Liberal Government, in that they only remain consistent with their decision taken in 1906, when the Cap Diamant site was chosen.

On October 2, 1906, the chairman of the Construction Board, the Hon. S. N. Parent, called the following companies to a conference which was held in Quebec on October 12: Canadian Pacific railway, Grand Trunk, Grand Trunk Pacific, Intercolonial, Delaware and Hudson, Great Northern, Quebec Central, Quebec and Lake St. John, the Quebec Electric Company, the Allan Steamship Company, the Dominion and Leland lines, the Harbour Commissioners, the Quebec Transport Company, Lloyd's agent, Mr. E. C. Fry, the Mayor of Quebec City, the Chairman of the Board of Trade, the Chairman of the Maritime Interests of Quebec, Mr. Power, M.P. for Quebec West, Mr. Arthur Lachance, M.P. for Quebec Centre. Most of those invited attended the meeting; a sub-committee was formed which appointed three engineers, Messrs. Hoare, Doucet and Boswell, who were asked to study, and report on, the terminal question. On November 7, the report was handed to the sub-committee and on November 27 the general committee took action in accepting Messrs. Hoare and Doucet's report.

The three engineers were unanimous in recommending the Cap Diamant site for the Transcontinental terminals; as to the station proper, Mr. Boswell preferred a union station at the Palais, with a tunnel reaching to it from Wolfe's Cove. Here is that report:

Quebec, October 21st, 1906.

Mr. R. Audette,
Chairman of the Quebec Terminal Committee.

Sir,—In conformity with a resolution passed on October 12th, 1906 by the Quebec Terminal Committee, containing instructions to Messrs. E. A. Hoare, St-George Boswell and myself to 'prepare a blue print of the plans with estimates of the Quebec terminal,' which plans and estimates were to be addressed to the members of the Committee, after which the chairman was to call the next meeting of the Committee, I have the honour to report that the engineers above mentioned and myself met on the 19th inst. to debate on the choice of an appropriate site of the terminal, from the most advantageous and economical standpoint both for railways and shipping. We have arrived at a unanimous conclusion as to the site of the deep water docks and the large freight yards from Lampson's Cove to Puizeau Point, as shown on the plan already submitted to the different members of the Committee; but there was, after, a strong difference of opinion as to the extension of the terminal tracks to the terminal station, one of the engineers believing that a union terminal station should be built on St-Roch street, and reached by means of a double track tunnel of about 5,000 feet with a 6 degree curve at its south end (Lampson's Cove) and 10 degree curves at its north end (St-Roch street), the two others being decidedly of opinion that the terminal tracks should be pushed along the river from Lampson's Cove to where the Champlain market now stands, where a terminal station would be constructed, it being understood that the city would widen its streets or surrender other avenues in order to insure free communication between the Louise basin and the site of the terminal station, as it is bound, and that the interested railways would lay the required tracks along the water front parallel to Dalhousie street for the handling of their trains between the present terminals and the aforesaid terminal station.

Thus, not being able to agree on a unanimous decision, it was impossible to make a joint report; so we decided between ourselves to submit separate reports to the Committee for further consideration.

As we unanimously agreed on the site of the deep water wharves and the large freight yards shown on the plan between Lampson's Cove and Puizeau Point, the only thing left to debate was to find whether it was better to locate the terminal station where the Champlain market

now stands, or whether it was more convenient for all parties concerned to place that station on St-Roch street, so that it could be used as a union station by all railways entering Quebec. The quantities used as a basis for the calculation of the building costs are taken from figures furnished by Mr. E. A. Hoare, chief engineer of the Quebec Bridge Company, who had some boring done along the shore of the river to ascertain the depth of the water.

In my opinion, a union station on St-Roch street is inconvenient, if not impracticable, for the following reasons:

1. The C .P. R., Quebec & Lake St. John, and the Quebec railway L. & H. already have their own terminals, and without being authorized to speak officially on behalf of the C. P. R. and Q. R. L. & P., I know that the Quebec & Lake St. John are absolutely opposed to any change of their present arrangements, and to all participation in the charges that would be imposed upon them for the use of a union station.

2. It is impossible to build a union station in the vicinity of St-Roch street without expropriating a considerable portion of the present C. P. R. terminal, since it would be necessary to leave these grounds at the disposal of all the roads entering the union station from the north of St. Charles river.

3. So many railways entering the city across St. Charles river would practically block entrance to the Louise docks, the lines running practically at right angles to each other. The C. N. R., the Q. & L. St. J. and the Q. R. L. & P. all enter the city from Limoilou, so that all tracks from St. Roch street to Louise basin must cross the main lines of these railways, which would practically destroy the usefulness of the union terminal station.

4. A tunnel a mile long at the most, with 6 and 10 degree curves at the outlets, is completely unacceptable, and I am sure it would be unanimously condemned by all railroad managers. Apart from the enormous cost of a tunnel wide enough for two tracks, the expense it would incur would not add a dollar to the value of the water front from Lampson's Cove to the Louise docks.

5. Nothing justifies the outlay of such a high amount, because a tunnel of that kind would serve almost exclusively passenger traffic; it is a well known fact that the large traffic from the north to points south of the St. Lawrence, has its way all traced as far as the Quebec bridge through a line from Limoilou passing at Cap Rouge, in so far as the C. N. R., the Q. & L. St. J. and the Q. R. L. & P. are concerned, whereas the C. P. R. would have its own junction with the Quebec bridge at Bélair.

The extension of Lampson's Cove docks to Champlain market is, in my estimation a much better scheme than a union station, should the latter be possible, for the following reasons:

1. All that would be paid for development on the water front would be money well spent, because it would be so much added to the harbour for the reclaiming of land and space.

2. Along the water front can be found space enough for the establishment of a terminal station suitable for the accommodation of all the new railroads that might come into Quebec after the construction of the bridge, because the great westward passenger and freight traffic brought to Quebec by various steamship lines, just as well as the western traffic going eastward, would not have to use that terminal station, as the trains would go along the wharves where the steamships would berth.

3. Along Dalhousie street and parallel to that street, it is easy to establish roads of communication for the accommodation of lines already having their terminals in Quebec, in order to secure for them an access to the terminal station. Those additional passage-ways for railroads and cart roads can be had at a very moderate price, which could be shouldered partly by the city and partly by the railway companies using same.

4. Such an extension would by no means interfere with the local ferry-boats and other local steamboats, because the present wharves are in a quite dilapidated condition and require extension as well as improvement. Nevertheless, those local lines would not have enough traffic to interfere seriously with the traffic between the city and the landings of the steamers.

I annex to this report an approximate estimate of costs for three deep water basins with railway lines built as far as Champlain market where the terminal station would be, as well as the alternative plan of a union station on St. Roch street. The figures are based upon the estimates of Mr. E. A. Hoare.

For the various reasons above mentioned, I am of opinion that it would be a serious mistake to place our terminal station at any distance from the water front, and that the most advantageous and most economical way, and also the only practicable one, is the establishment of terminals and station, as indicated on the plans that have been submitted to you.

I have the honour to be, sir,
Your obedient servant,

A. E. Doucet.

So that all engineers, companies, citizens, acknowledge that the terminal and accommodations must logically lie from Champlain market up to Wolf's and Lampson's Cove. The Government then, only had to follow these decisions, and they did; when they left power in 1911, the plans were prepared, millions were already voted for their execution, the contract for the station was even adjudged, deepening of the St. Charles river was begun, and about $100,000 had been voted to start work on the lock.

The execution of this unity was to occupy two years, so that at the end of 1913, everything would have been ready for the Transcontinental traffic on its way from Prince Rupert to Quebec. In the face of that impartial and true summing up, I wonder that our opponents are taken seriously when they pretend that the Liberal Government did nothing for Quebec. If Quebec saw her hopes revived she owes it to the Liberal party, and you will see that when these hopes are fulfilled it will be through that same party. I want no more evidence of this than what occurred since 1911.

The present Administration had but taken charge of things when they stopped all work, especially between Cap Rouge and

Quebec. Strangely enough, the true reason for this decree is not given. Why this mystery? Modifications to plans are alleged; two years were not needed to change the site of the station and shops; well, that is the only visible result of that slow and equivocal gestation; beyond that there is nothing at all. The last rail between Cochrane and Quebec was laid in November, 1913; this being the case, freight trains could arrive from the West at Quebec when navigation opened. But there is absolutely nothing there to receive them. The national object of this line is above all to give an opening to the western products, and for the present, and for a long time to come the principal product of exploitation will be grain; henceforth the first facilities needed are elevators and docks to store and ship it. Where are the docks and where are the elevators? Absolutely nothing. But, in fact, the Harbour Board have erected an elevator on the Louise pier; but there is no water there at low tide and it will require years of dredging to reach a depth of from thirty to forty feet. Nevertheless the Transcontinental has no line in the city or outside to reach there; such is the real position, which no one can gainsay.

At six o'clock the House took recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

SECOND READINGS.

Bill No. 125, for the Relief of Walter James Liscombe.—Mr. Douglas.

Bill No. 126, for the relief of Ethel Cora Robinson.—Mr. German.

Bill No. 127, for the relief of George Fullerton Forsythe.—Mr. Schaffner.

THE NATIONAL TRANSCONTINENTAL RAILWAY.

After recess Mr. Lachance resumed the debate and said:

Mr. LACHANCE: When you left the chair at six o'clock, I was speaking of the absolute lack of accommodation at Quebec for the traffic of the Transcontinental, of the trains which could come to us at the opening of navigation, towards the end of April or the beginning of May, and I was recalling to memory the campaign waged by the press of the Conservative party before 1911, against the then Liberal Government, who, they claim, jeopardized the interests of the City and port of Quebec by the slowness of the terminal works.

Amongst the newspapers patronized by the present Government which gained distinction in this campaign, I could mention l'Evènement and the Chronicle. Previous to 1911, both dailies denounced the supposed inaction of the then Administration with reference to the terminals; what censure should they not carry against the present Administration, who let two years elapse without a remedy? It must then be that they were not late, if the masters of to-day in Ottawa look placidly on the running out of months and years without raising a finger, even if they claim, however, that they do not jeopardize the interests of Quebec.

How can one explain the somnolence of the present Government in the face of so disastrous a situation obtaining in our city, if it is not that this apathy is voluntary; and then for what object? Is it to make out of Quebec a secondary terminal which will receive but a small share of the western traffic, or even have to be satisfied with local traffic only? Numerous facts authorize us to conclude so; the most serious and the most peremptory is the scamping of the Transcontinental between Cochrane and Quebec, a scamping which, if not remedied at once, will necessarily reduce that part of the line to a purely local railroad between the two cities. Yes, in the face of the change in grades we must conclude that our lot will result in costly and almost useless buildings that will have served to lead us astray and to meduse us during the time required to plot our ruin and destroy our supreme hope.

In 1903, the Laurier Government had the construction of the Transcontinental voted by Parliament; the contracts stipulated that the western division from Winnipeg to Prince Rupert would be built by the Grand Trunk Pacific Company and the eastern section from Winnipeg to Moncton by Canada. This latter section was to be then operated by the company in consideration of a rent of three per cent of the cost of that eastern section, the lease being for fifty years. It was also decided to at once organize a perfect line able to give the greatest hauling capacity and the greatest operating facilities that modern civil engineering could produce. And why? Because the progress of the West was so rapid that it would give to that new line at its very inception the full quantity of freight that it would be able to haul.

It is then evident that the most important point was to secure the greatest possible uniformity of level on the whole line. In order to realize this, the engineers fixed the maximum of eastward grades to four-tenths of one per cent or twenty-one feet per mile of rail, and the westward grades to five-tenths of one per cent, or twenty-six feet per mile; and subsequently they brought the latter to six-tenths of one per cent, or thirty-one feet per mile; but it must be remarked that these grades were only to be used where it would be impossible to avoid them, the constant preoccupation being to build a road of uniform level wherever it was feasible.

Such were the instructions given by the chief engineers to their assistants and upon which the line was organized up to 1911.

Owing to these measures, a locomotive could haul at least double the freight weight that she could have hauled on the other lines then existing in Canada and even in the Americas. The highest authorities have given their opinion on that point. Thus Mr. Elliott Cooper, president of the Civil Engineers Institute, of London, wrote on November 5th, 1912, speaking of these twenty-one feet per mile grades as follows:

> On the Grand Trunk Pacific, the standard 2,000 ton freight train can be hauled without assistance from Winnipeg to Prince Arthur by a locomotive, the hauling power of this locomotive thus being four times above that of the Great Northern, Northern Pacific and Union Pacific locomotives, and five times superior to those of the Sante Fe, and seven times superior to those of the Canadian Pacific.

Mr. Leonard, speaking on the same subject at a banquet tendered to him upon his appointment to the Construction Commission, expressed an opinion similar to that of Cooper:

> It is not easy to say what the completion of that line to Moncton will cost; but most of the works are under construction, apart from 400 or 500 miles between Cochrane and Quebec. The Quebec bridge which, when finished, will be the greatest in the world, will absorb 48,000 tons of steel, and its construction will take five or six years. Eastward, our line has a 0:4 grade, and a locomotive can haul 1,600 tons, whereas on other roads where there is a 1:0 p.c. grade locomotives can only haul 800 tons.

I can quote on the same question the opinion of Mr. Macpherson, to-day Mr. Leonard's assistant, and previously assistant to the chief engineer of the building commission. On June the 2nd, 1909, he spoke before the British Association for the Progress of Science and said:

> The distance of the Transcontinental road will be 1,351 miles from Winnipeg to Quebec and as the maximum of the grade for eastbound trains is 21.12 feet per mile, with allowance for curving, the most powerful engine built to-day, the Mallet Articulated Compound, of which an excellent description is given in the Railway Age Gazette of April 30, 1909, can haul a dead weight of 4,200 tons behind the tender on that grade.
>
> Assuming that the tare is 33½ p. 100 per ton, the net paying load would be 2,860 tons, averaging 95,333 bushels of wheat for each train. Supposing the profits of that train to be $4.40 per mile of train, exactly double that of the profits realized by the Canadian Pacific on every mile of freight train in 1908, it is seen that the cost per bushel for the whole distance of 1,351 miles between Winnipeg and Quebec, is $4.25. The lowest cost prevailing to the knowledge of the writer from Fort William to Montreal, by way of the lakes, canals and St. Lawrence river, on a distance of 1,216 miles, would equalize 4:44 cents for 1,350 miles, so that at $4.40 per mile of train, the locomotives above mentioned could haul grain eastward on the Transcontinental, from Winnipeg to Quebec, for 0:19 cents per bushel less than the cheapest water route could carry on the same distance, and at 10:86 cents a bushel cheaper than the present rail and water route could carry between the two points in question.

Under these conditions, transportation cost for every bushel of wheat was to be reduced by one half of what it has been up to date. Such are the enormous advantages that the Liberal Government wanted to extend to Canada in building this road under the conditions that I have just recalled.

More than any other, the city of Quebec was interested in this uniformity of level. The maximum of those twenty one foot per mile grades had been fixed with the object of assuring the entry of western grain in the harbour. The Liberal government had promised to the people that the road between Winnipeg and Quebec would be built in such a way as to give the St. Lawrence route the greatest possible volume of traffic; this is why it assured, by proper gradients, the greatest hauling power to the locomotives.

But as soon as the present government came to power, they replaced the construction commission by a single man, Mr. R. W. Leonard, one of the first acts of whom was to increase the gradients from twenty one feet to as much as one hundred feet per mile, and he repeated this operation in from fifteen to twenty cases between Cochrane and Quebec; he put in lieu of first grades, some momentum grades that the trains ascend owing to the momentum acquired. This is good if all goes well; but if anything defective occurs in the mechanism when the train reaches the bottom of the grade or when it ascends the slope, the train stops and is moreover in-

capacitated from starting anew, even after the defect has been remedied. But let us suppose everything for the best. It is impossible to admit in the face of mishaps which inevitably occur on all lines that the momentum grade can have the same value as a uniform level; this is elementary common sense. And on that account, Mr. Leonard was nonplussed to victoriously answer the criticism of the G. T. P. engineers on the accentuation of the grades. He could only answer that if these virtual grades, for some unforeseen reasons, did not give satisfaction, it would be easy to come back to the twenty foot per mile grades. There was then a doubt in his hypothesis, an uncertainty, an aléa, why then did he not keep the first grades, if the superiority of the line was exactly due to the fact that they were to avoid as much as possible everything that could give scope for a doubt, an uncertainty or an aléa.

We then have the admission of Mr. Leonard that the government are experimenting; but there is something else under the lid; I have said one word about it and I would come back to it: but was it on such a rule that the government should have made such an experiment. They claim a saving to realize; this reason is not serious; but even if they were to save one or two millions, would they be justified in risking the full efficiency of a line that will cost one hundred and sixty millions?

If then, and this cannot now be denied, the modification of grades decreases the hauling power from Cochrane to Quebec, the result is clear and deplorable; the western trains will not be able to reach our harbour, that section of the road will have been reduced to the role of a second class line having nothing else but local traffic for support. Once more Quebec will have been deceived if not betrayed.

All these facts constitute an enigma that has been undeciphered up to now, a latent hostility that works in the shadow detrimentally to the interests of Quebec.

Who was it who first suggested a change in the maximum of grades? Last year, in the debate on the Transcontinental estimates, a question was put to the hon. the Minister of Railways who at first took refuge in very evasive replies; he admitted, when hard pressed, that Mr. Leonard had authorized these changes; but he remained silent on the question of knowing who had suggested this to Mr. Leonard. The hon. members for South Renfrew (Mr. Graham) and for Carleton, N.B. (Mr. Carvell), declared they were convinced that these modifications had been first inspired by Mr. Gutelius, who then had charge of the Transcontinental investigation, but the hon. minister persevered in his silence. Why this reticence? This is a technical question; why the first and real instigator should fear to endorse the responsibility thereof in public? Are we then in presence of a conspiracy, the first act of which would be the extreme slowness in the completion of the work between Cochrane and Quebec? In February, 1913, the Government answered on that point to a member of the Upper House as follows:

> Q. On the first of November, 1912, how many miles remained to be graded between Cochrane and the city of Quebec?—A. 35 miles.
>
> Q. On how many miles are the rails not yet laid?—A. 88 miles.

Hence, the work to be completed required only a few months; it took more than one year. The second action would be the accentuation of the grades; the third, the change of site of the Quebec terminus and the fourth, the investigation and the report of Messrs. Gutelius and Lynch-Staunton.

The enigma is getting more undecipherable when we know that such changes were authorized by the government without the assent of the Grand Trunk Pacific railway company, rather against their will. The government was bound to secure their consent. According to the act passed by the parliament we find clause 7 which reads as follows:

> In order to insure, for the protection of the company as lessees of the eastern division of the said railway, the economical construction thereof in such a manner that it can be operated to the best advantage, it is hereby agreed that the specifications for the construction of the eastern division shall be submitted to, and approved of by, the company before the commencement of the work, and that the said work shall be done according to the said specifications and shall be subject to the joint supervision, inspection and acceptance of the chief engineer appointed by the government and the chief engineer of the company, and, in the event of differences as to the specifications, or in case the said engineers shall differ as to the work, the questions in dispute shall be determined by the said engineers and a third arbitrator, to be chosen in the manner provided in paragraph four of this agreement.

Hence the work between Winnipeg and Moncton was to be carried under the charge, inspection and acceptance of the government engineer and that of the company, jointly: I said, a minute ago, that alterations had been made without the assent of the company. As an evidence, the president, Mr. E. J. Chamberlin, protested against those changes in the grades, by a letter, dated July the 18th, 1912, in which

he declared that the company would not accept them. Here is the letter:

Ottawa, July 18, 1812.

Major R. W. Leonard,
Chairman,
Transcontinental Railway Commission,
Ottawa, Ont.

Dear Sir,—I learn from our engineers that the standard of work on that portion of the Transcontinental railway between Lake Superior Junction and Cochrane, which was at the outset adopted and has so far been complied with, is being departed from, and that instead of four-tenths grades and permanent structures, you have authorized grades up to one per cent and the erection of temporary wooden structures. In regard to this I would call attention to clause 7 of the agreement of the 29th July, 1903, which provides that the work of construction of the eastern division shall be done according to the specifications approved by the company and shall be subject to the joint supervision, inspection and acceptance of our chief engineer, and the chief engineer of the commission. I beg to say if this work is done in accordance with what I understand to be your recent instructions, it will not be in compliance with the agreement nor satisfactory to this company, and cannot be accepted.

(Signed) E. J. Chamberlin.

So, one of two things the company will either refuse to accept the road between Cochrane to Quebec or will operate it as they please and if we protest, they will say: live up to your own engagements and we will give you what you are entitled to. The result will be that from Cochrane, the traffic we had a right to expect, will be diverted through the North Ontario and Timiskaming Railway, if the company do not direct it to their terminals at Portland or New York.

Another enigma is the conduct of the Government in the decision reached to regarding the terminals at Cap Diamant. Against the opinion of the three engineers and the companies I have already mentioned, they give preference to the opinion of one man. Practically, Mr. Leonard sets aside the line along the river from Cap Rouge and the terminus, to Champlain market, as adopted in 1906, and substitute for it the Louise pier and the site of the Canadian Pacific Railway.

If such is not the case, I would ask what would be the use of the elevator erected by the Harbour Commissioners on that pier; I would ask the meaning of the following utterances of the Postmaster General before this House on the 25th of June, 1913:

The entrance of the Transcontinental into Quebec will be magnificent. The N. T. R. will pass over the Cap Rouge trestle, as I understand, and will enter Quebec through the valley of St. Charles river coming down by the spur line to the Canadian Northern line. Then we will have a central station at the Palais while the Minister of Railways and National Transcontinental Commission are building the lines on the water front, from Sillery to Champlain market. From Champlain market there is a rise on which a line is being built. This shows that the N. T. R. will practically encircle the city of Quebec.

Such are the arrangements and it is no wonder that they meet with the warm approval of all the citizens of Quebec.

For the same reason I quote a statement of the Right Hon. Prime Minister, at a banquet of the citizens of Quebec, in October, 1913, which I find in the report of the Board of Trade, page 181:

There is also a connection with the Canadian Northern railway at Cap Rouge which permits entrance to the St. Charles' side of the city and which can be utilized for this purpose pending the completion of the tunnel that will connect the St. Lawrence waterfront with the new station on the Palais site.

Finally, I find an unchallengeable evidence in the estimates for the new terminus. Out of a total of $5,847,250, there is only a sum of $60,000 for a freight station and accessories at Champlain market.

Why that additional line to be built from Cap Rouge to the line of the Canadian Northern?

This carries the supposition of a right of way over that line and that of the Canadian Pacific Railway, to enter the city and the property of the Harbour Commissioners in order to reach the ocean steamers, hence hundreds of thousands of dollars in rent will be paid annually; would the Government assume such an obligation had they not decided for a long while, though they refuse to confess it, to practically abandon the operation of the Transcontinental over the line along the river, as far as the terminus is concerned.

It is difficult to imagine such a singular position; this Government have the advantage of utilizing their line, of building on the spot, wharves, elevators, storages, stations, everything remaining under their sole control; but ignoring all that, they go begging from their neighbours a right of way in exchange for enormous indemnities, and the whole to the detriment of their own property.

What to think of such a chaos of management? That the Government are reducing to their minimum the accommodation facilities of the Transcontinental; out of a situation that was natural and simple they have intentionally dug for a state of things productive of all kinds of complications and embarrassments. Is there any need of additional evidence? Let us take the change

of the station site. Who will profit by that? Less the Transcontinental than the Canadian Pacific, the political ally of the present Government. The late Government were to organize at Quebec, for the Transcontinental, for a terminus of the highest class; the Canadian Pacific Railway, properly speaking, have there no facilities for handling freight; by the changes made in gradients, the Transcontinental will be nothing more than a line the volume of traffic of which will be almost equivalent to that of the Canadian Pacific Railway from lake Superior to Quebec; there is no more disproportionate competition for the latter, then. Let us add to this that the Government seek in the offices of the Canadian Pacific Railway the authors and the inspirers against which we protest.

Owing to these modifications, the Canadian Pacific railway will build a so-called passenger union station for the use of which this Government will pay a rent above the interest on cost and of which the Canadian Pacific railway will finally be the only beneficiary, passenger traffic on the Transcontinental being necessarily very limited for years to come. Moreover, the Canadian Northern and the Quebec and Lake St. John have their own station and terminal a few hundred feet further off.

The station will be built at the Palais; the Transcontinenta. have no line reaching thereto. It is proposed to build a tunnel, a work of many millions and of many years and that when western trade would come to us at any moment and that when for two years the Government did not even think of building a station of some kind for freight at the Champlain market.

Will that tunnel ever be built? It is doubtful. In fact, in the correspondence between Messrs. Chamberlain and Leonard, I find a letter from the latter to the former in which are the following words. The letter is dated from Ottawa, May the 13th, 1913. The words aforesaid read as follows:

> I agree with you that the immediate construction of a tunnel is not justified by the traffic that we have a right to expect and it might be possible that such a tunnel will not be necessary for two or three years and possibly before the completion of the Quebec bridge so that we do not seek to take that into consideration now.

Do you think that the city council would have agreed to a change in the site of the station if they had known of that letter? I do not believe it. According to the letter, the tunnel would be opened only if the traffic increases sufficiently to justify the undertaking, but in the meantime the Transcontinental will remain without any access to its station. Anyhow, the estimate of the new terminals do not mention a cent for that tunnel and the plans on which these new estimates are based indicate nothing for a tunnel. We are then compelled to conclude that this tunnel is a project the realization of which is most problematical and that at all events it will be constructed only in a very distant future. In order to abandon the site of the Champlain market, the Government pretended that that space was insufficient. We have on that point the opinion of Messrs. Hoare and Doucet, who declare to the contrary, and in relation to this, their judgment must be worth that of Mr. Leonard. It is also alleged that for the unity of the terminals, the ground in the location of Cap Diamant is not large enough; here again the three engineers appointed by the sub-committee of citizens have stated the contrary and Mr. Leonard being alone against them I see no reason why preference should be given to the latter. Nevertheless the working area in platforms from the market going up towards Lampson and Wolfe's Cove is larger than any other in the city.

The hon. the Postmaster General declared in this House that nine-tenths of the population were opposed to the building of the station at Champlain market . I beg to be allowed to contradict him flatly. I live in Quebec, I meet as much and perhaps more than he does, the different classes of the population, and I declare that the majority have accepted the decision of the sub-committee of citizens and acknowledged that the station and the deep water docks were greatly advantageous.

It is said that the city council approve the change of the site of the station. Yes, but if they had known one half of the facts we now have, to-day, I am sure they would have refused to concur; and Mr. Leonard sent this ultimatum to them: accept or else you run the risk of having the same delays you so much deplored, and at the same time, the Canadian Pacific railway said to the same council: give us certain streets of lower St. Roch and St. Sauveur, or else you will not have our grounds to build a station. One must admit that the Government, the Canadian Pacific railway and Mr. Leonard took good means to attain their object.

Nevertheless, this question of a passenger station is secondary; the only important thing for the time being is the freight

station and the terminals; but I wished to question the correctness of certain declarations made on the scarcity of grounds and about the objection of the majority of citizens, and according to the report of the Board of Trade that I read a moment ago, one can see that the opinion of the citizens is still what it was in 1908.

Thus, for two years the Government have taken up this secondary question of the union station and set back the only important one, that of the freight terminals; owing to the glaring of that union station, they succeeded in hiding their inaction, in deceiving us, and perhaps, also in dissimulating the objects that we are justified in believing to be contrary to the interests of Quebec.

As to change in site of shops, many observations, that I just now made, apply. I represent Quebec and it would be far too stupid on my part if I did not look after all that can favour that city; but I deem my fellow-citizens to be too intelligent not to have immediately understood that the shops were destined before long to serve the interests of the road and that the Liberal Government had acted logically in locating them near the line at Cap Rouge, a point where the rolling stock must necessarily pass from one to the other end of the country. However, in my humble opinion, the shops at Cap Rouge, would have, in a better way, promoted Greater Quebec; they were as a rod pinned outside of the limits and in all the immense intermediary highland with limitless horizon, a new residential city would have arisen which, by the natural and inevitable course of things, would have become part of this city before long. To concentrate all in a small ratio is not the best means of promoting expansion.

However, the Liberal Government have a peremptory reason: it is that they intend to immediately utilize the road along the river and establish terminals at Cap Diamant. Their plans did not comprise, for the present at least, any communication via Cap Rouge in the valley of the St. Charles river; it was then impracticable to establish these shops in that valley.

It is now more opportune than ever to recall these facts and to compare the attitude of the parties on the divers questions of the Transcontinental with regard to Quebec. We thus see that at the beginning of the enterprise, and always since, the Liberal government worked with the competent authorities in order to give the greatest efficiency to the road, serving thereby the best interests of Quebec, which were to derive therefrom more benefit inasmuch as the line and facilities would be perfected; all partisanship had been banished in the original plans of the building commission. Very different would be the thought of the Conservative party, if we have to judge by the declamations of their newspapers. Not a single day passes but that they number by thousands and thousands the workmen that will work in that shop, and the millions of dollars that will be derived from it, and as a conclusion they already claim a victory in all the ridings of the city and surroundings. Chance may help them; but this effervescence would justify us in understanding that there was more in this change than a pretence to make political capital.

And, after all, when the public discussed this question, in 1906, it would have been easy for the Liberal party to use it as a partisan exploitation in locating their shops in the city; the government, with reason, refused. It would have been a breach in the adequate plan prepared by the competent authorities as the most advantageous for the unity of the service. And it would be because we have followed this conduct simple, disinterested, patriotic, would I say, that the electors would blame us! Never. The events will give us reason, even before we go to the country.

And there is already a large spot in the picture: the establishments that are erected at St. Malo are by far less important than those that were planned at Cap Rouge; the latter included thirty buildings, those at St. Malo number only fourteen. Moreover, it was intended to build local shops at Wolfe's Cove, covering an area of fifty acres for urgent repairs and to accommodate twelve engines at a time. Furthermore, at a distance of a mile westward of the Champlain station, the road was to be branched and from there twelve parallel lines were to run for one mile forming the freight yards: all that is erased from the new plan.

According to these facts the change in the site of the shops would rather be an appreciable lot to Quebec.

Moreover, a new and essential factor arises to the detriment of our city: the Grand Trunk does not consent to these changes in site of terminal station and shops. Their assent was indispensable under clause 7 of the contract, quoted a moment ago, and that company will be able to rest upon this clause in refusing to take charge of the road with the results aforesaid.

On pages 31 and 32 of the debates of the present session, the Right Hon. the Prime

Minister, in his remarks on the address, in answer to the speech from the Throne, stated on the weight of the word given by the hon. the Minister of Railways, that the Grand Trunk Pacific Company had accepted these changes. I vainly searched to find on what the hon. the Minister of Railways supported his opinion to authorize this statement; I must say that in my opinion, I find the very contrary in the correspondence on that subject between the company and Mr. Leonard. Here is, first of all, the refusal of the company to subscribe to the tunnel and joint terminal scheme, and their intention of following their original plans.

August 29, 1912.

Major R. W. Leonard,
Chairman Transcontinental Railway
Commission, Ottawa, Ont.

Dear Sir,—I have your favour of the 22nd, relative to entrance into Quebec. I have also received a communication from Mr. Woods on the subject, giving somewhat in detail the estimated cost of the proposed tunnel and joint use of Canadian Pacific terminals, which would appear to be in excess of the cost of carrying out original scheme. It therefore seem to this company that it is not desirable to make any change, but that you should go on and complete the original plan which was carefully considered before approval by Mr. Hays and myself. If the land holders are still holding out for an excessive price, they could probably be brought to time by notice of arbitration.

With regard to shops which it was proposed to build near the entrance of the bridge; if difficulty relative to water and sewage is so great, there is no reason so far as the company is concerned why they may not be located at some other convenient point on the line.

Your's truly,

E. J. Chamberlin,
President.

Montreal, May 16th, 1913.

Major R. W. Leonard,
Chairman Transcontinental Railway
Commission, Ottawa, Ont.

We have made careful study of the Quebec situation and feel that there is no possible change of business from Quebec to warrant the outlay of the tunnel scheme and joint terminals with the Canadian Pacific. Therefore recommend erection of respectable terminal at the old market square as originally contemplated.

E. J. Chamberlin.

Here is another letter in the same sense:

Montreal, January 4th, 1913.

Major R. W. Leonard,
Chairman Transcontinental Railway
Commission, Ottawa, Ont.
Re Quebec Terminals.

Dear Sir,—For several months, articles have appeared prominently in the Quebec Local Press, in which a proposition for joint passenger terminals at the Canadian Pacific railway Palais site has been freely discussed.

I might cite among others, the article which

[Mr. Lachance.]

appeared in the Quebec Chronicle, dated May 3rd, 1912, and that in the same paper, published on November 22nd, 1912.

The first article erroneously mentioned the names of several gentlemen as representing the Grand Trunk Pacific railway. The other article stated, that the question of joint passenger terminals had been settled, although subject to certain concessions that were required from the city of Quebec.

Local newspapers later reported that the city council had endorsed the proposed scheme. Reports of subsequent discussions by the said council indicated that important negotiations and decisions had been made, which, if correctly reported in the press, would very seriously concern the Grand Trunk Pacific Railway company, but in regard to which, as far as I know, this company has not been officially advised.

Upon investigating the plan in question, which is on file as a public record in the city engineer's office I find that it is entitled, Canadian Pacific railway Quebec, and shows what appears to be solely a Canadian Pacific railway project, at least it seems too small for a joint scheme and nothing on the plan indicates that it is.

Our company has an agreement with the commission, and the commission has an agreement with the city, covering terminals, at the Champlain market site. The Grand Trunk Pacific Railway company, has no official knowledge of any change in the terminal plans adopted in 1910. This is of course at variance with recent newspaper reports, but we do not believe that any such divergence from previous agreements would be considered without the approval of this company.

Some of the reports infer that the Transcontinental Railway Commission, and the Grand Trunk Pacific railway, jointly favor the proposed union scheme, and that the Champlain market site has been abandoned. This appears also to be an accepted fact by the city council and the general public.

While a possible change of location of terminals has been discussed with president Chamberlin, my understanding was, that nothing definite had been decided, and that further discussion on the subject had been postponed for the time being.

If you can give the president or the writer, some information that will explain just what value to place in the newspaper articles mentioned, it will be highly appreciated.

Very respectfully yours,

H. A. Woods,
Assistant Chief Engineer.

Now, here is the letter in which they refuse their concurrence to a change of the site and the plan.

25th March, 1913.

Major R. W. Leonard,
Chairman Transcontinental Railway
Commission, Ottawa, Ont.

Dear Sir,—I have your favour of the 14th instant, re Quebec shops. The question of shops at Quebec has been very carefully considered, and it is believed that the plans which were prepared by the commission and approved by the Grand Trunk officials are practically what are required at the point.

It is expected that the Grand Trunk Pacific railway, built to the standard to which it is being built and with the Grand Trunk railway back of it, will start with a large amount of

traffic and it will need facilities equal to any of the Transcontinental lines to take care of its rolling stock.

Yours truly,
E. J. Chamberlin,
President.

In short I draw the attention of the House to a letter from Mr. Chamberlin to Mr. Leonard, dated August 9, 1913; it is a statement of the whole situation and of the reasons why the company object to all these changes.

Finally, add to all this the modification of grades heretofore referred to, and the problem which surrounds all this administration of the Transcontinental for the last two years is the more inextricable, but the brutal fact remains: the line is deteriorated to the detriment of the harbour and the city of Quebec.

Perhaps is it not yet too late for Quebec to react if she immediately realizes the difficult position in which she is placed by others. The citizens can yet discount the support of the Liberal party. Their salvation lies in forcing this government to return to the unit of the plans adopted by the construction commission and specially to return to the maximum of grades having twenty-one feet per mile, and to the freight terminals and the Cap Diamant location. If the citizens do not immediately make anew their representations and do not follow them up without respite until they have defeated the unwillingness of the present administration, their cause is in great danger of failure and their legitimate hopes will be frustrated for ever.

Here is my whole thought of the administration of the Transcontinental towards Quebec for the last two years; this administration is incomprehensible as well as unjustified. How and why, I have clearly stated without a desire to injure any one, but with firmness; it was my duty as a representative of the people and as a member for the city. If I am mistaken, so much the better for her. Nevertheless I am afraid it is not so. I have conscientiously examined the facts; why not, why should I have assumed at first a malevolent intention in the alterations of the plans previously adopted? My ardent desire—so natural after all—is that Quebec grows, whatever may be the party that will open for her the gates of a more fruitful future. Also did I investigate the causes, the motives, and try to appreciate in the light of logic and reason the results of administrative action. For me, these results cannot be conciliated with the interests of our city and I cannot find during the last two years, in the authority that prepares them, other causes, motives, than those which I have just outlined. The result: Quebec will be sacrificed; the victim is put to sleep to the sound of that gold with which a few monuments will be erected; they will remain empty; what they needed was the western traffic which they will not get.

However, they would get it if the Government wanted it, if the hon. the Postmaster General exacted it. Will they want it, will they exact it? in all probability, no.

All the same, at this moment, it is less the member of parliament or the Liberal than the citizen of Quebec who now speaks to another Quebec citizen in authority and who has the right, under the circumstances to tell him: exact it, we owe this to the memory of the old city's founder. Yes, in that order of thought, to make of Quebec, effectively, the principal terminal of the Transcontinental, is it not to render homage to him who started from here and traced the road of civilization in northern America.

Annals teach us that his penetrating inlook seized ceaselessly towards that mysterious west to sound its depths and secrets. Does he not now deserve this revelation? From the height of the promontory, where a statue is erected, Champlain—for a soul hovers here—Champlain would contemplate this ceaseless flowing of the golden wheat rushing from the far west to flow at his feet into the holds of ships in order to go out at large to feed the old world; it would be to give him a new testimonial of thought, and the great dead have a right to these remembrances; it would be to give him a new acknowledgment of having been three centuries ago and of yet being to-day the benefactor of two continents, the ancient and the new.

Mr. F. B. McCURDY: (Shelburne-Queens): Mr. Speaker, it is to be regretted that hon. members opposite have not given the country a clear, concise and succinct statement showing why there has been such an appalling over-expenditure in connection with the construction of the National Transcontinental railway.

The Laurier Administration, as a result of the polling on November 3, 1904, received a mandate from the Canadian people to proceed with the construction of the National Transcontinental railway.

Disregarding the warnings and heedless of the admonitions of the responsible head of the Department of Railways and Canals of that day (Hon. A. G. Blair) the members of the House of 1900-1904 supporting the Administration and a majority of the

electors of the country chose rather to listen to the voice of the Premier of that day when he urged unnecessary haste and said: 'We cannot wait because time does not wait.' I quote from 'Hansard,' 30th July, 1903, page 7691:

> The whole of the liability which is incurred by the Government for the building of that section from Moncton to Winnipeg is simply seven years of interest. The sum total of the money to be paid by the Government for the construction of that line of railway from Moncton to the Pacific ocean will be in the neighbourhood of twelve million or thirteen million dollars, and not a cent more. Now, Sir, what is thirteen millions in the year 1903? It is about the surplus of our revenue over the expenditure. The surplus for this year will pay for the construction of this road.

What an estimate!

Mr. Fielding, the then Minister of Finance, and on whom would fall the responsibility of finding the necessary money for the construction of the road, took counsel with a railway expert. Mr. Fielding was also acting Minister of Railways. He consulted Mr. C. Schreiber, who was then, as now, regarded as an engineer of the very highest standing, and who the hon. member for South Renfrew (Mr. Graham) informed the House on Tuesday last, possesses his utmost confidence. He was, I take it, best qualified to give the most intelligent and reliable opinion available as to what the actual cost of such an undertaking would be, for a government would not be justified in undertaking a work of such magnitude without first having secured the advice which in their opinion was the best available. Mr. Schreiber's estimate of July 12, 1903, was as follows:

> I estimate the cost of construction of the Grand Trunk Pacific railway as a road of an ordinary character, such as has been built in Canada with maximum grades of 1 per cent or 52.80 per mile being less than the maximum grades upon the Intercolonial railway, the maximum grades on which road are as follows:
> Bedford grade.. ..1.80%, or 95.00 ft. per mile.
> Folleigh " .. ..1.22%, or 64.42 "
> Metis " .. ..1.22%, or 64.42 "
>
> Estimated cost of the Grand Trunk Pacific Railway.

	Per mile.
Moncton to south approach to Quebec bridge..	$ 25,000
Quebec to Winnipeg..	28,000
Prairie section..	17,500
Mountain section..	67,000
Terminals at Pacific coast	3,000,000

Mr. Fielding wrote to the then Minister of Railways, under date of May 11, 1904, as follows:

> Dear Mr. Emmerson:
>
> Last summer, while I was acting Minister of Railways, and when the Grand Trunk Pacific scheme came up, I asked Mr. Schreiber's opinion as to the probable cost of constructing the eastern division (Government portion) of the road. Mr. Schreiber gave me the information although not in the form of a written report, and I used it in the House, mentioning his name as my authority. His opinion was that a road could be constructed from Quebec to Moncton for $25,000 per mile, and from Quebec to Winnipeg for $28,000 per mile.
>
> These estimates were made for a road of an ordinary character, such as is constructed elsewhere. In order to make a sufficiently liberal allowance for a road of better character, I added 25 per cent, making the estimate $31,250 per mile from Quebec to Moncton, and $35,000 per mile from Quebec to Winnipeg. I have not spoken to Mr. Schreiber on the matter of late, but from other experienced railway men I have received assurances that my estimate was a most liberal one, and that the road could probably be constructed well within these figures.
>
> As above stated, I did not obtain a written report from Mr. Schreiber. I think it might be convenient to have a report from him. May I suggest that you discuss the matter with him and, if there is no objection, ask him to make a short memorandum, putting in writing the information which he gave me last summer.
>
> Yours faithfully,
>
> W. S. Fielding.

It will be observed that Mr. Fielding did not rest his conclusions altogether on the estimates of Mr. Schreiber, but he states that he also consulted, as a careful minister would, other experienced railway men, and received assurances that his estimate was a most liberal one, and that the road could probably be constructed well within those figures. Mr. Fielding informed the House that the total cost of the Transcontinental would be $61,415,000.

The point I wish to make clear is this, that in asking the mandate of the people of Canada, which was obtained on November 3, 1904, the Government of that day represented that the total cost of the road would be $61,415,000, and the present leader of the Opposition (Sir Wilfrid Laurier) in presenting the project to Parliament and to the country, evidently used this estimate of cost as a basis for his statement that the cost to the people of the country would be seven years' interest on this sum, or, as he stated, in the neighbourhood of twelve or thirteen million dollars and not a cent more.

Therefore, I take it, it would be fair to state that on the understanding that the National Transcontinental railway could be built for approximately $61,415,000, the Government was, on November 3, 1904, authorized to go ahead. Add to this amount, interest for seven years at 3 per cent, and we have another $12,897,150, or something less than $75,000,000, beyond which the total cost should not go.

Now, it is clearly apparent that by the end of the year 1921 when the country will if fortunate, begin to receive rental from the Grand Trunk Pacific, the road will have cost the country for principal and interest $234,651,521, made up of:

Cost of construction (per estimate of Gordon Grant)..	$161,300,000
Interest on cost of construction to end of 1914..	18,700,000
	$180,000,000
Interest cost from beginning at 3½ per cent to end of 1921..	54,651,521
Total to Dec. 31, 1921..	$234,651,521

It will therefore be seen that the capital rental cost instead of being $61,415,000, as estimated by Mr. Fielding, in 1903, has risen to $180,000,000, or 300 per cent higher, while the ' $12,000,000 or $13,000,000 and not a cent more ' which the then Premier assured Parliament would be the cost to the country, has proven to be $54,651,521, or 400 per cent higher than the right hon. gentleman's estimate of 1903.

Is it surprising that the country demands an explanation of this unparalled expenditure of Canadian public funds ?

I listened with curiosity for an explanation from the hon. member for South Renfrew (Mr. Graham). The hon. member for South Renfrew and other hon. members less responsible for the shocking over-expenditure in connection with the construction of the road, have expended much time in personal abuse of members of the investigating commission. They say that an ex-employee of the Canadian Pacific railway is not qualified. It must be patent to hon. members that, far from Canadian Pacific exemployees being debarred, a selection is practically forced from the Canadian Pacific railway staff or graduates for the following reason:

Canada has four railway systems, the Grand Trunk, the Intercolonial, the Canadian Northern, and the Canadian Pacific, and necessarily those engineers best qualified to give an intelligent opinion regarding Canadian railways and their operation must come from one or the other of these systems.

Because the Grand Trunk is an interested party through the ownership of all of the common shares of the Grand Trunk Pacific, the leasing company, there are patent objections to going to that road for engineering advice, although I admit that engineers might possibly be secured from the ranks of the employees of that company. The objections which would be urged to the appointment of an employee of the Government on the Intercolonial railway to an investigating commission of this nature are so apparent that I need not detail them. The Canadian Northern is still under construction, and therefore its staff is not so likely to contain experienced engineers with construction and operating experience combined as is the fourth system mentioned, viz., the Canadian Pacific railway. That company, on account of its methods of operation and on account of its great prosperity is, and has been for a long time, in a position to attract the best engineering talent of the country to its ranks, and is the logical field from which to secure expert engineering advice.

The hon. member for Pictou (Mr. Macdonald) was so concerned over the non-essential qualifications of one of the engineers of the investigating commission that he interrupted the hon. Solicitor General (Mr. Meighen) to inquire if Mr. Gutelius was a naturalized Canadian, and if so, when he was naturalized. The fact that Mr. Gutelius has had upwards of 27 years' engineering experience, nineteen years in Canada and eight in the United States, under varying conditions, appears trifling in the eyes of the hon. member in comparison with the present or past nationality of the engineer. The hon. member is a staunch believer in Canada and Canadianism. Rumour has it that when in 1911 the party with whom he is allied was being attracted by trade policies leading away from the National Policy, the hon. member dissented and ineffectively threw his influence to a continued adherence of his party to the existing policy. The hon. member would prefer to have the evidence of an engineer Canadian born, and with international experience. I would therefore like to refer to the evidence of Mr. W. F. Tye. Mr. Tye was born at Haysville, Ontario, in 1861, and is and has been a robust Canadian even if measured by the standard of the hon. member for Pictou. At the age of twenty-two he began his experience as an engineer on the Canadian Pacific. After four years' experience, he went into the Great Northern railway; he has al o had varied experience in different parts of the States, and in Mexico. With this experience, he re-entered the service of the Canadian Pacific and rose to the position of chief engineer of the whole system. In 1906 he retired from the Canadian Pacific, and has since been engaged in consulting practice. Here is an authority rich in experience—a Canadian born

engineer, resident in Canada, who has occupied the highest engineering position attainable in Canada, and it might be interesting to refer to his opinion regarding some of the decisions of the commission on standards for the railway, the abandonment of which was dubbed by the hon. member for South Renfrew as the 'degrading' of the road.

On page 453 of the report, Mr. Tye, in answer to a question, stated:

> There cannot be any doubt that in rough, crooked country, this rule (re maximum degree of curvature) rigidly adhered to, especially in connection with the rule making the minimum length of tangents between the ends of easement curves 300 feet, must have resulted in tremendous expenditures that have absolutely no value whatever.

With regard to the use of momentum grades and other expedients to keep down the first cost of construction, he says (page 466):

> The use of momentum grades, wooden trestles instead of high embankments, sharper curves, shorter tangents, and other expedients to keep down the first cost of construction were surely justified here if on any road. Such expedients do not decrease the haulage capacity of locomotives, do not increase the running time of trains, and only slightly increase the cost of maintenance, but do materially decrease the fixed charges by decreasing the cost of construction, and do permit of an improvement in standard, when required, without extra cost.

So that no more conclusive evidence condemnatory of the Railway Commission's style of construction is given in the whole report than that given by Mr. Tye.

In an effort to belittle the opinions of the commission with regard to the advisability of substituting, in various places, momentum grades and other improvements, the hon. member for South Renfrew, after searching North America, finally produced Mr. J. B. Berry.

As reported on page 2173 of 'Hansard,' the hon. member for South Renfrew states that Mr. Berry took hold of the Union Pacific when it was a bankrupt concern, and, by changing the grades and curves and shortening the line, brought it up to a position in which it pays dividends to shareholders. Mr. Berry may have been responsible for the rejuvenation of the Union Pacific, but the average man on the street, as well as many well-informed railway engineers, thinks that a man by the name of Harriman had something to do with the rehabilitation and consequent prosperity of the Union Pacific road.

The hon. member furthermore tells us that Mr. Berry is at present assistant to the president of the Rock Island railway, and it is stated that he has held that position for some four years past. I know nothing about the engineering qualifications of this gentleman, but if the estimation in which the public hold the value of the securities of the Rock Island Company is any index to the progress of the road under Mr. Berry's operation and of the value of Mr. Berry's services, it will be interesting to the hon. member for South Renfrew and the House to know that whereas four years ago Rock Island railway common shares were selling at $55 per share, they are selling to-day at $3.87 per share. The preferred shares of the same company, which in 1910, sold at $92.50 per share, are now quoted on the market at $5.75 per share. The four per cent bonds sold in 1910 at $83 and this year at $37, and the whole securities of this road are selling at such prices as would appear to justify the belief, held in different financial quarters, that the road is heading straight for insolvency. Surely the progress being made by the Rock Island under Mr. Berry's guidance does not warrant us in assuming that his opinions on engineering questions are final.

However, this is quite beside the point at issue. The hon. member for South Renfrew was, during the expenditure of practically all these moneys, in control of the Department of Railways and Canals, and being the responsible minister, a lucid explanation of the appalling over-expenditure was due the members of this House and the country. I hoped that, for the sake of Canadian credit and the good name of Canadian public business, a lucid and sufficient explanation would have been forthcoming. That the maladministration of this great enterprise has dealt a body-blow at the prestige of the great Liberal party is undoubted. Speaking for myself, I would gladly have seen any and all party advantage sunk in an explanation which would justify the gross over-expenditure. I regretfully have to say, however, that the statement of the hon. member for South Renfrew did not satisfy me, and, speaking in all frankness, I am sure that it will not satisfy the country.

What I wish to emphasize is that the Laurier Administration, on their statement that $61,415,000 was a liberal estimate of cost, and which experienced railway men stated would not be altogether required for the construction of the line, were authorized by the electors in 1904 to go on with the building of the Transcontinental railway.

Make no mistake; what the public to-day want to know is why has it been necessary to spend on construction and interest $180,000,000 instead of $61,415,000, which was originally authorized. The hon. member for South Renfrew laid a great deal of stress on what he termed the 'degrading' of the road. In other words, the burden of his complaint was that a less expensive road was wrongfully authorized by his successors.

This argument advanced by the ex-Minister of Railways, if it leads us anywhere, leads us to the conclusion that the case of over-expenditure is more serious than the report of the investigation commission would indicate. The hon. member censures the Administration for introducing momentum grades, wooden bridges, and other economies which reduced the total cost, whereas, had these changes not been made, the total cost would have been swollen beyond the $180,000,000, and the astonishing and incomprehensible divergence between Mr. Fielding's estimate of $61,415,000 and the actual cost, with interest added, increased away beyond the present difference. As years elapsed and construction continued, it gradually dawned upon the people that the original estimate of $61,415,000 for the total cost of the line was grossly understated.

The efforts of the Conservative Opposition in the last Parliament to secure such an investigation as would give the public the reason for the over-expenditure were treated by Parliament in a manner not reassuring to the ordinary business man, and it has always been my opinion that the failure of the Government of that day to properly deal with the allegations made had not a little to do with the decision of the public that the carrying on of such public works could be placed in better and more efficient hands; and in my opinion the late Administration lost not a little support in the memorable campaign of 1911 owing to this feeling. This lack of confidence is one of the reasons why the country will not be disposed to hurriedly entrust the administration of public affairs to hon. gentlemen opposite.

I wish to refer particularly to only one of the great errors, or worse, made by the Transcontinental Railway Commission. There are many other features of the work carried on by the commission which are open to severe criticism, but it seems to me that no other course could have been followed by the commissioners in the letting of contracts as well calculated to prevent competition and swell construction costs as that which they did adopt.

By reference to page 21, volume 1, of sessional paper 123, will be found a list of the contracts, numbered from 1 to 21, given out in connection with this work. A perusal of the detailed information following this list will disclose the dates on which the different contracts were advertised, when tenders closed, and when contracts were awarded. The members of the House are no doubt familiar with the standard advertisement issued in the call for tenders; these notices calling for tenders contained the following clause:

> Each tender must be signed and sealed by all the parties to the tender, and witnessed, and be accompanied by an accepted cheque on a chartered bank of the Dominion of Canada, payable to the order of the Commissioners of the Transcontinental railway, as follows:
>
> For section No. 1, district 'C'.....$150,000 (or for special set sums in the different contracts).
>
> Any person whose tender is accepted shall within ten days after the acceptance thereof furnish such additional approved security as may be required by the commissioners.

The insertion of this mischievous clause placed tenderers practically at the mercy of the commission. In actual practice, and in accordance with regulations adopted by the commission, calls might be made for security on successful tenderers to the extent of one-third of the estimated amount of their contract.

These conditions were so onerous that it was impossible for any other than the very wealthiest contractors, or those who had an 'understanding' with members of the commission, to undertake to tender on the work. The first work to be put out to tender was that covered by contract 9-10 and 21, amounting to over $18,000,000. On these contracts, the commission would be entitled, should they so desire, to call for deposits of $6,000,000.

It is the usual practice for a contractor to seek financial assistance from his banker. Just imagine the contractor for No. 21, for instance, going to his banker and asking to have his cheque certified for the deposit to accompany the tender, viz., $400,000. The banker might consider such a proposition, if that was all, but should he, as a prudent banker would, refer to the advertisements calling for tenders, he would see that before his customer would be certain to secure the contract, even being the lowest bidder, he might be called upon to

put up not $400,000 with the tender, but the amount of $4,336,000. Manifestly no contractor excepting such as were multi-millionaires could get into that game. The only other contractor who would be safe would be he who had an understanding with members of the commission. I would have liked very much to have heard an explanation or justification from the hon. member for South Renfrew of this extraordinary clause in the contract.

Charity would bid us say that although the power of calling for huge deposits rested with the commission, it would never be used. But what happened? On the first two contracts for which tenders were called, viz., 9 and 10 (joint-contract), and 21, very large sums in addition to the original deposit were called for. On the 9 and 10 contract the sum of $224,000 accompanied the tender, while $794,588 was called for as total security. In the 21 contract, $400,000 accompanied the tender, while $1,301,000 was called for security under the contract. Certainly by their action in the first contracts let, the commissioners, in calling for these tremendous deposits, gave notice to contractors that they should keep at a distance, and the procedure of the commissioners was so effective in this respect that it will be seen from the table on page 21 of the investigation commission's report:

> That for nine contracts covering half the line, only five firms tendered, and in one case there was only one bid, while in all the others only two, with the result that M. P. & J. T. Davis secured 204 miles, M. J. O'Brien and partners 246 miles, and the Grand Trunk Pacific **256 miles. This affords convincing evidence** that the conditions were too onerous for many firms who afterwards undertook the construction of large sections of the road at lower prices, as sub-contractors.
>
> Had the commissioners, instead of dividing the line haphazard into sections of 8 to 247 miles, made them about 50 miles each and prescribed conditions as to security similar to those on any other Government works, there can be no reasonable doubt that many of the more than one hundred sub-contractors to whom the contractors afterwards sublet the work would have been in the field as competitors.
>
> These sub-contractors took the work off the hands of the main contractors at from 10 to 30 per cent less than the contract price. The commissioners in all cases sanctioned the sub-contracting.

In view of the fact that the contracts are not yet completed, and that therefore only partial information regarding the final payments is available, it is difficult to estimate the amount of money paid to each of these large contractors, but a rough calculation shows as follows: Grand Trunk Pacific, $14,609,351; J. T. & M. P. Davis, $17,871,867; O'Brien and partners, $17,812,513. Some of these were also sub-contractors, and in addition to these amounts drew profits on their sub-contracts. The hon. member for Annapolis, in referring to the matter of contracts, showed where the profits as between the contractors and the Government varied from 5 to 32 per cent. The advantage of being a favoured contractor under such conditions is too patent to need further comment. The method of handling the tenders had, I am convinced, much to do with the excessive cost of this work; the system was further open to the very grave objection of placing the contractor in the power of the commission, a most undesirable condition.

The late Administration undertook a more than ordinarily serious responsibility when they adopted a plan for the construction of a huge public work in opposition to the advice of the responsible head of the department concerned; and the action of the Government led to the resignation of this responsible minister of the department. The working out of the plan has more than justified the objections urged against the construction of the road by Mr. Blair in 1903, and so lightly attempted by his colleagues. Some—not many—of these colleagues are at present members of the House. The country has heard the unconvincing statement of the late Minister of Railways. It is still waiting with more than ordinary interest to hear from the colleagues of the late Mr. Blair their explanations of the extraordinary breaking down of the roseate scheme held out to the country in 1903.

Mr. WILLIAM POWER (Quebec West): Mr. Speaker, when the report which forms the subject of the present debate was made public, I was in England, and on every hand I heard expressions of astonishment at the magnitude and the boldness which the newspaper reports said had characterized the grafting operations of the late Government. The British public was surprised, the warmest friends of Canada were dumbfounded, and on all sides there arose a cry of condemnation and displeasure at a country hitherto pointed out as one of the jewels of the empire, for it was believed that its statesmen had sunk to the level of some of the well-known organiza-

tions which are supposed to flourish in the country to the south of us. The credit of this country, which had been high in spite of serious attempts on the part of wildcat mining promoters and bogus townsite agents, received a severe setback, so severe indeed that I doubt very much whether it will recover therefrom within the next decade. At first sight there seemed to be a reason for this dismal state of affairs. The despatches had it that an independent, non-partisan commission had declared that $40,000,000 were wasted, if not stolen, by the members of the late Government. It can be easily understood what a feeling this would produce on the other side where commissions appointed to examine into any question are real commissions who do their work honestly and conscientiously, and whose members, in many cases, are public spirited enough to make special studies of their subject and to act without any remuneration whatever.

As I have already said, these despatches, purporting to be a report of a commission, were really alarming, but when I knew what I have since learned, that a certain number of newspapers only, and these not altogether unfriendly to the hon. gentlemen opposite, just had access to a half-garbled resumé of the famous report and gave it forth to the world before any one had an opportunity of examining the report itself, I began to understand how easily it was to place the matter in the unfavourable light in which it appeared. When I received the report itself, several weeks after, and read it attentively page by page, which I did, I wondered how it was possible for any person, even in the heat of political controversy, to destroy the credit of the country on such grounds and with so little justification.

I say, Mr. Speaker, I am sorry that this has occurred, not for the party to which I belong, for I am sure that the people of Canada will understand the situation, but I am sorry indeed for my country, since in my humble opinion, its reputation and its honour should stand higher even in the minds of politicians than mere party advantage.

However, when I recollect the debates in this House in 1903 and the campaign of 1904, I am not surprised at the report brought in by the star chamber commission appointed by the hon. gentlemen opposite. In those days there were some of us who thought that it would be a good thing for this country if a railroad were built through a hitherto somewhat uninhabited and unsettled country in order to develop for colonization, for empire and for trade the vast areas in the hinterland of Ontario and Quebec. Were I to go through the pages of 'Hansard', recalling to the minds of Quebec members the attacks which were made on the hinterland of Quebec and even Ontario, the morning sun would be shining through the windows of this House ere I finished. Suffice to say that our Tory friends did not want the eastern section of the road built. They, who flew the flag in 1911 and did not want any truck with the Yankees, wanted a road built through the western section of the country and they would have ignored entirely the other provinces. In days gone by the party, of which these hon. gentlemen are the successors, wanted taxation without representation in the old province of Quebec and in this case they proposed to tax my native province without any possible benefit to the people of that province. I was proud as a representative of the city of Quebec to sit in this House in 1903 when the Grand Old Chieftain of the Liberal party unfolded his scheme for the building of the transcontinental line. He told the House and the country that it was necessary to build another transcontinental line and that in so doing he was going to render justice and fair play to all portions of the Dominion, and that he would open the valleys of New Brunswick, and the great hinterlands of Quebec and Ontario wherein would be found in the future homes for hundreds and thousands of people. We in the province of Quebec had lived on the shore of the St. Lawrence for a hundred years and this was the first opportunity which had been offered to avail ourselves of the advantages of a national highway binding the east and the west and which will enable us to open up our great northern country with its enormous resources. A railway traversing a province for a distance of from 900 to 1,000 miles exerts a beneficial influence over a wide area of country. Let us suppose that this influence extends for at least 50 miles on each side of the line; that means that 30,000,000 or 40,000,000 acres of land will come in for agricultural and commercial development. Even if the cost has exceeded the estimate, I ask my fellow members not only from the province of Quebec but from all parts of Canada, if our country is not the gainer by the carrying out of this great enterprise? Is there a man in the province of Quebec who will have the courage to stand up and say that our northern country should not be developed? No man at the present time can estimate

the resources of this hinterland of ours with its enormous water-powers, its great forests, its pulpwood, and its iron deposits, the last named of which will one day, through the process of electricity, be developed to an enormous extent. Indeed, the great St. Maurice valley, through which this road passes, with its valuable iron deposits, will offer formidable competition to the furnaces of Pittsburg. It is not alone our mineral and forest wealth that will be turned to good account in consequence of the construction of this great Transcontinental railway, but in the valley of the Harricanaw we have acres and acres of virgin soil which will in the near future be developed by the younger element of the province of Quebec. The cry to-day is: keep the young men on the farm; grow more products, and thus give the people cheaper food, but to bring about this desirable condition, railway facilities to transport the increased productions must be provided.

At this late hour, I shall not enter into any detailed statement as to the benefits the National Transcontinental railway was intended, when originally designed, to confer on my native city of Quebec, my hon. friend from Quebec Centre (Mr. Lachance) has dwelt at length on that. The hopes of the people of Quebec for a prosperous future were based on the completion of this great railway project with its low grades and high standard, which would enable it to carry cheaply the trade of the West for shipment at our ancient port; but the policy of this Government since it has come to power, in degrading the character of that road and reducing it from the high standard projected by Sir Wilfrid Laurier, has been a great disappointment to our people who, with reason, fear that the National Transcontinental railway will not prove that great boon originally contemplated.

Mr. JOSEPH DEMERS (St. Johns and Iberville): Mr. Speaker, I should state at the outset that the admirable address delivered by the hon. member for South Renfrew is such a thorough vindication of the course followed by the former government, in connection with the building of the Transcontinental, as well as such a victorious assertion of the national honour and credit endangered by an outbreak of prejudice unprecedented in the history of this country, that I may rightly be taken to task for recklessly interfering in this debate. Accordingly I intend limiting myself to a few and very brief considerations.

This Government, rightly or wrongly, has resolved to have judgment passed on a measure initiated by the former administration. What kind of a tribunal has been constituted for that purpose? What was the procedure followed, and what weight should be given to the findings of such a tribunal?

The two essential conditions required by justice and fair play, and without which elementary conditions no tribunal is entitled to respect, are in the first place, impartiality on the part of the judges, and the right of all parties to be represented and heard. Have both these requirements, or even one of them, been satisfied?

I put the question, though convinced beforehand that there will not be a single member of this House to answer in the affirmative. Two commissioners or judges have been appointed; one of them, an American citizen at the time of his appointment, was gotten from an institution whose interests were in direct opposition to the policy advocating the construction of a new transcontinental line; from an institution which has always viewed that scheme unfavourably; from an institution naturally jealous of the high class construction of that road, destined as it is to enter into close competition with it and to prevent it from monopolizing henceforth transportation from east to west and vice versa. And it is from the staff of that institution that a man is selected who will draw over $20,000 a year to make an impartial report. But even that was not enough. A year or even more, previous to the making of that report, the aforesaid commissioner was granted a position which I may call permanent, that of superintendent of the Intercolonial with a salary of $20,000 and then he was instructed to "preach economy." I have not the least doubt, Mr. Speaker, that we will have to show thrift henceforth, after making up our minds to pay such huge salaries.

Let us see if the chairman of that commission is better qualified. A Tory and a recognized partizan, an exponent of his party's policy at elections, in 1908, he made the welkin ring throughout Ontario with his invectives against the building of a national railway, basing his opposition at the time on the same grounds which are alleged to-day in his report; and so imbued with partisan notions, that while exercising his duties as commissioner, he despised the rules of the most elementary decency to the point of descending from his com-

missioner's bench to wage war on the Liberal candidate in South Bruce.

Could the Government in good faith rely on the impartiality of these two men? No one will believe it, and the mere fact of the unfair and ridiculous make-up of this commission detracts largely from the weight of the findings contained in its report, which no one can read without suspicion, a circumstance which facilitates for hon. members on this side the task of answering its charges, as the people throughout the country are not likely to give it greater attention than to any other party machination.

The hon. Solicitor General was wrongly inspired, indeed, when he thought fit to recall the fact that the former administration, as well, had appointed commissions, namely the Civil Service Commission and the Cassels Commission, for, Mr. Speaker, there is a striking contrast between the policy followed by the former Administration and the policy followed by this Government since the hon. Solicitor General himself was forced to admit that both these commissions comprised men whose political views were not even known. It seems to me the hon. Solicitor General, under the circumstances, weakened his case through sheer indiscretion.

I shall now give further proof in support of my contention, that the Government and the commissioners showed bias and unfairness. The report is dated February 11, 1914. We find that, as a matter of fact, the whole enquiry was closed by the middle of March, 1913, with the exception of the evidence of Mr. M. P. Davis, which was delayed until February 5, 1914. What was the object of that delay, if not to excuse the commissioners' tardiness in reporting, whereby they were enabled to fill the columns of yellow papers and to insinuate and charge, and leave the public under the impression that criminal wastefulness had been indulged in, a wastefulness for which the Liberal party should be held responsible, although that party was afforded no opportunty to vindicate itself. I say that such a course is unworthy of an opponent who wishes to be counted fair.

I shall now refer to an incident which occurred during the speech of the hon. member for South Renfrew. The hon. Solicitor General, whose main characteristic is cleverness, thought fit to interrupt the hon. gentleman from South Renfrew while he was dealing with the question of the Transcontinental shops, and insinuated that the $4,500,000 expended on these shops were not comprised in the alleged wasteful expenditure of $40,000,000 pointed out by the commissioners.

Why that? Because the hon. Solicitor General fully felt the force of the argument advanced by the hon. member for South Renfrew and how unassailable was the position of the former Government as regards the Transcona workshops, and he endeavoured to ward off the blow.

Now, either that amount of $4,500,000 is included in the $40,000,000 or it is not. If it is, my hon. friend should not have interposed; if it is not, why does the report devote pages and pages to discussing the matter? Would it be perchance, that it was expected the House would be deceived thereby? But, Sir, I wish to state here that the hon. Solicitor General's interruption has contributed more than anything else to satisfy me that the sum of $40,000,000 represented by the commissioners as being the minimum amount of useless expenditure, was arrived at arbitrarily and on no sound basis. Having taken the hint, I went to the pains of adding up the various amounts included under the head extravagance, and in spite of all my efforts, I have not succeeded in reaching a higher total than $35,000,000, including that amount of $4,500,000 which I have just mentioned.

So I say the position taken by the hon. member for South Renfrew was sound, well taken, when he discussed the matter on the assumption that this $4,500,000 expended on the Transcona shops was included in the estimate of the useless expenditure.

And after listening to the victorious argument presented by the hon. gentleman from South Renfrew on that point, I say there is no fair-minded man but will say that the findings of the commissioners are at variance with the facts, with the law and with common sense and show conclusively the folly of those who have evolved them.

And while I am dealing with the hon. Solicitor General, I may refer briefly to one of his remarks in reference to the entrance into Winnipeg. He stated, if I understood him well, that as a result of the decision of the former Government, the Canadian Northern had filed in court a claim for damages to the extent of $10,000,000. It must be surmised from this fact that the spot so selected was exceptionally advantageous, and I may add, either the Transcontinental had the right to select that entrance, or it had not such right; if the Transcontinental was entitled to make such selection, how can damages be fairly

claimed? If not, why did they not secure a writ of injunction? I think my hon. friend must have had cases which gave him greater concern than this, and I can only express the hope that this famous Canadian Northern case will not trouble his slumbers.

The hon. Solicitor General referred to the Davis contracts numbers 16 and 17. I do not propose dilating on the merits of this question; I am entirely satisfied with the explanation given by my hon. friends on this side who have preceded me, but I cannot forego drawing attention to the fact that the hon. Solicitor General contended that the contractors in the present instance had demanded and obtained prices from 10 per cent to 100 per cent higher than those granted in connection with other contracts, and that, on account of the difficulties met with in the matter of transportation by those desirous of reaching that part of the line. Then the hon. Solicitor General asserts that the work has been delayed, and that when it was later carried through to completion, the difficulties met with at the time tenders were called for no longer existed, owing to the contracts relating to sections adjacent to numbers 16 and 17 being completed. The result was that the district was more easily reached and in consequence the contract price, he thought, should have been materially reduced. I think the above is a fair rendering in substance of the remarks made by the hon. Solicitor General. What would be the conclusion if all those statements were true? That Messrs. Davis are far from being the keen business men which they have been represented to us to be. Just think, here is a contract for possibly eight million dollars, the carrying out of which, according to my hon. friend's contention, should yield exorbitant profits, it may be 40, it may be 50, it may be 60 per cent, and the contractors, who are assumed to be shrewd business men, were willing to hand it over against a payment of 10 per cent, that is less than half the average rate of profits on which contractors figures as a rule.

That strikes one as rather unusual, and leads one to surmise a good many things; for instance, when the hon. Solicitor General states that the contract prices were excessive, there must be some exaggeration; when he contends that the contractors delayed the work, there must have been satisfactory reasons to justify such delays, the commissioners' right to cancel these contracts it is likely was not as clear as the hon. Solicitor General contended, they had no assurance that, by calling for new tenders, much lower prices would have been obtained, and the commissioners may have thought that serious results might ensue through further delays; and one sure thing is that the artfulness so profusely displayed by the hon. Solicitor General did not make a very deep impression on me.

I had not intended to answer the remarks made by the hon, member for Dorchester, and what I am about to say is merely in passing. The member for Dorchester, in referring to the former chairman of the Transcontinental commission, endeavoured to minimize the reputation as a business man which he enjoys not only in the province of Quebec, but throughout the whole of the Dominion. He contended that the Government should not have given him such a high post of honour as that of chairman of the Transcontinental commission, because, he said, while he was Prime Minister of the province of Quebec, a group of his followers bolted. If it were laid down as a rule that a political leader, a Prime Minister for example, is no longer worthy of public confidence because a group of his followers attempt to get rid of him, pray, Sir, where would be to-day our Prime Minister, the Right Hon. Mr. Borden, who, in 1910, if I well remember had to withstand a memorable revolt which came very near ending in his discomfiture? Had the hon. member for Dorchester been here at the time, he would certainly have abstained to-day from alluding to plots and conspiracies. I may remind him of the old French saw: 'Never mention the rope in the house of the hanged man.'

Then, confidence is apt to fluctuate. The hon. member for Dorchester has more experience in this connection than any of us, and I am acquainted with a goodly number of hon. gentlemen in this House who, in 1911, had no confidence whatever in the present Prime Minister and who to-day seem to entertain feelings of a very different sort towards him.

Now, I shall revert once more to the famous Staunton-Gutelius report. There is a feature of that report which strikes me particularly as evidence of the nagging and fault-finding spirit which presided over this enquiry. It will be found that in every case where steel works have been put up, the finding of the commissioners is that wood or concrete should have been used; and whenever concrete has been put in, their finding is that either steel or wood was the proper material. When cast iron pipes were put in, concrete, they say, was the thing to use, and so forth; in other

words, it seems as though they had made up their minds to find fault with every thing, and these gentlemen even went so far as to criticize and condemn the very decision of the Canadian people to build a new transcontinental line, as evidenced by the intrusion of a few words casting a slur on the building of that part of the line which runs from Levis to Moncton. I do not wish to concern myself with that side issue beyond pointing out the lack of judgment and discrimination of the commissioners who have not seen the propriety of keeping within the bounds assigned to them. But we have no time to lose, and I shall leave the responsibility of that report to the government, as regards the advisability of constructing the line eastward from Lévis, though aware that the electors of Lévis, L'Islet, Montmagny, Dorchester and other Quebec and maritime constituencies through which the road runs will at the proper time give vent to their feelings as regards this gross blunder on the part of the commissioners. The people have no longer the right to say what they want before the proposal has been approved by Messrs. Staunton and Gutelius, as a matter of grace on the part of these petty sovereigns.

Reference was made to the original estimates of the line and some made a pretence of being shocked at recalling the estimated cost set down by Mr. Fielding at $61,415,000. But there is no one but knows that this figure is not of Mr. Fielding's own making, and that Mr. Fielding was bound to take the figures given by the government's chief engineer, and that was what he did. The government engineer to prepare that estimate figured on an ordinary railway line, that is having steep grades and temporary works. But the government, supported by the Canadian people, decided to construct a high class road and the result, of course, was to increase the cost of construction.

It was decided, and rightly so, to build a first class road, for there is no sense in carrying through such a gigantic undertaking and be content with the ordinary requirements. As a simple matter of common sense, the building of a first class road was in order. It is objected: Instead of building permanent works, temporary works, such as pile-work, steep grades, sharp curves, &c., in a word all that goes to make up an inferior road, might have served the purpose until it was known what the traffic would amount to. To my mind such a view is mistaken, in connection with a national undertaking of such importance as this. As far as I can see, it is wholly dependent on the question whether the undertaking is necessary or not. But once that point is decided, the proposal to be content with inferior work and to provide temporary facilities, is not admissible; for if the decision is to build a road, it means that the conclusion arrived at is the undertaking will surely be advantageous to the country, that is to say a success, otherwise such a departure would be unjustifiable.

The Government with the approval of the people decided to build the Trancontinental. Of course, that was equivalent to deciding in favour of a superior type of construction, the cheaper operation of which would compensate overwhelmingly the difference in cost between a low-grade or average railway and a first class road, and would ensure economy in transportation by allowing the circulation of much heavier train-loads, economy in the shape of reduced expenditure for repairs and maintenance besides the advantages consisting in greater safety and greater speed and everything that attracts traffic.

What are the main criticisms voiced by the commissioners? Properly speaking they are but two.

1st, the road is too good, in other words, too expensive.

2nd, there has been over-classification.

As regards the first of these criticisms it covers about two thirds of the $40,000,000. I shall not go any further into the discussion of this point than I did a moment ago when referring to the necessity of building a first class road; but I may observe that there was no necessity for calling witnesses to show that it costs more to build a first class road than to build an ordinary one. An effort has been made to show that an ordinary road is worth as much as a high grade road, but in spite of the endeavours of the commissioners, they failed to attain their object, so preposterous was it to contend that 'better' and 'inferior' are synonymous.

There were mistakes, no doubt; it would have been wonderful if none had been committed in connection with such a vast undertaking; but it will be noticed that this ex parte inquiry has not brought to light, directly or indirectly, the slightest particle of evidence of dishonesty, illwill, neglect of duty or inability on the part of the commission or the engineers. Every difficulty which has cropped up has been discussed. Arbitrators were appointed in a good many cases, in a word nothing that

was likely to ensure honest and fair dealing was left undone.

Such is the outcome of the enquiry, though there was no cross-questioning and despite the particularly adverse conditions, as regards the former administration and the former commission, under which the enquiry was carried on. The great majority of the witnesses heard are still in the employ of this Government. The questions put in some cases are leading in the extreme and put in the witnesses' mouths the very answers they are expected to give; some may be construed as imperative in this regard, and whoever reads the evidence given by the various witnesses cannot help saying to himself that many explanations or developments might have been obtained by cross-questioning the witness, though a pretty clear view of the situation may be had by perusing the volume of exhibits, which, by the way, has not yet been translated into French, or at any rate the French version of which has not yet been distributed.

Then, it appears from the discussion that the commission have carefully recorded every thing that was of a nature to further the object for which the commission was appointed, that is to slander the Liberal party. Comparisons have been instituted to show the excessive cost of certain works as against others on the Canadian Pacific or Canadian Northern lines; but in making these comparisons, no allowance has been made for variations in the situation or the time, or even for dissimilarity in the nature of the work performed.

How explain the discrepancy between the actual cost and the original estimates? We might be content with answering: by the greater difficulty of forecasting results as compared with merely recording them. But I think that such a question should be met with an answer or rather an explanation of a more practical nature, and we provide such explanation by pointing out the difference, as acknowledged by the commissioners themselves, between a first-class road and an ordinary road taken as a basis in the working out of the original estimates. Thus the evidence shows that the original surveys had not revealed the presence of solid rock over a great extent of the line. Then there are the great difficulties in the way of construction, which it is impossible to prevent or to foresee. Lastly, the increase in the cost of labour and supplies. That is more than enough to show the enormous difference that should be figured on when comparing estimates of works previous to their carrying out in 1902 and the cost of these works after completion.

But there is this much to be gathered from the inquiry: the work done is first class, and the country has the benefit of all that has been done, save in the matter of classification, wherein, according to the commissioners, $3,300,000 were paid to the contractors over and above what they were entitled to owing to over-classification, that is to say, owing to faulty judgment on the part of the engineers, since their honesty cannot be impugned by any one, that no one suspects their good faith, not even the commissioners, and since the great majority of the engineers who made the classification have been retained in the employ of the Transcontinental Commission and are still with them.

After carefully going over the evidence, I have come to the conclusion that nothing, absolutely nothing, can justify the commissioners' finding as to over-classification, and I unhesitatingly declare, that a careful summing up of the evidence would have unerringly led them to a conclusion quite different from that which they reached, and that they should, on the contrary, have stated outright that the classification had been conscientiously effected, from the local engineer up to the chief engineer who was called upon to approve of it finally. That appears from the evidence of Walter Youngman, William G. Brown, Alfred A. Paradis, N. R. Beaudette, Stanley Hawkins, A. O. Bourbonnais, G. A. Buttler, Robertson, O'Leary, Pardee, Holland, Charlton, Bell, Bucke, Timbrell, Dick, Holiday, Ferguson, Black, Mattice, Longley, Porter, Hervey, Baldam, Molesworth, Foss, Doucet, McFarlane, Grant, and even Lumsden.

All such proof goes to show that any difficulty arising out of the classification was considered and very often submitted to arbitration, and that no classification was settled on before it had been fairly and conscientiously looked into and recognized as being equitable. Everything was transacted above board and decided after due consideration, and the only occasion for differences of opinion (mere differences of opinion) was the unusual character of the material encountered in the building of that road, the original specifications affording necessarily no guidance as to conditions which could not be foreseen previous to the actual carrying out of the work. As a result of the discussions, the classification was altered at times in favour of the

contractors and at times in favour of the road.

And if I am to infer, as the uncontradicted statement goes, that no final settlement has taken place between the Liberal Government and the contractors, there is nothing to mourn over, and it only remains for this Government to set things right and to apply the remedy when the time comes to effect final settlement. Will they do so? What did they do in the case of contractor McArthur? The arbitrators had decided that over-classification in his case amounted to $550,000. Was the settlement effected on that basis? Was the settlement effected at $500,000, or $400,000, or $300,000, or $200,000? No, it was settled at $150,000. That shows, Mr. Speaker, what the zeal of these great preachers of economy amounts to in practice.

Commissioners Staunton and Gutelius personally may in good faith differ from the views of the engineers who are responsible for the classification, but their opinion should not be taken into account, and they should have restricted themselves to the evidence heard; had they done so, it would have been impossible for them to draw such conclusions.

Let us not lose sight of the fact that the construction of that railway was superintended by engineers whom the former commission had reason to believe competent. Let us not lose sight of the fact that the contracts, as stated in the report itself, have always been granted to the lowest bidder; that the Grand Trunk Pacific was in every case at liberty to submit tenders; that the Grand Trunk Pacific whose interest in cheap construction was greater than any other's since they are bound, after seven years operation, to pay 3 per cent interest on the total cost, had the right to supervise the work, and were represented by their most capable engineers, and that the classification, as it is, was accepted by the chief engineer of the commission, by the chief engineer of the Grand Trunk Pacific and by the arbitrators.

Thus we have the best guarantee that the classification must have been carried out as well as it was possible to carry it out, especially in the absence of any proof of dishonesty or improper interference on the part of any one. Besides, there exists no reason whatever for any one to prefer the opinion of people who never worked on the road, who did not visit these districts at the outset, but only five or six years after the work had been done, to that of honest and respectable men who have themselves witnessed the difficulties to be met with in the construction; and I do not think the people who are responsible for that classification could wish for a more conclusive acknowledgment of their ability and of their honesty than the fact of their being retained in the employ of this administration. For, Mr. Speaker, one of two things, either these engineers were capable and honest, or they were not; in the latter case, they should not have been retained, and since they have been so retained we are led to the conclusion that they were deemed honest and capable. It seems to me that this does away with any attempt to find fault with the classification. My conclusion, Mr. Speaker, is that, since no dishonesty can be charged against the commissioners, since the classification was effected with more than ordinary care—even if there had been errors of judgment committed by the engineers in some cases with the result that $3,000,000 had been lost, a gratuitous and unfounded assertion on the part of the commissioners—since it has been demonstrated that the course deemed most advisable was decided upon after due consideration of every aspect of the question, I say, notwithstanding what the commissioners may think, public opinion in Canada as well as abroad will be satisfied that the opprobrium rests entirely with those who endeavoured to show to the world that Canadians are either fools or scoundrels.

I for one, Mr. Speaker, believe that the Government has uselessly thrown away thousands and thousands of dollars on an inquiry the only object of which apparently was to discredit the Liberal party, and the actual outcome of which has been to strike a blow at Canada's credit on foreign money markets.

The said inquiry will also have as a result to satisfy the whole Dominion that the Government's intention is to kill the Transcontinental by departing from the rule of uniformity in the building of the road between Cochrane and Quebec, in such a way that the whole country will be debarred of the advantages to be derived from the operation of a genuine transcontinental line which its present requirements and its future prospects imperatively demand.

The voice of Toronto may kill the proposed Georgian Bay canal scheme; such a powerful influence may even kill the Transcontinental scheme, but luckily for Canada, the powerful voice of the Canadian people will soon make itself heard and deaden the clamourings which personal interest draws forth from a certain group.

Mr. W. S. LOGGIE (Northumberland, N.B.): Mr. Speaker, although it is very late, I feel that I have a certain responsibility and should say a few words on this important subject. First of all, I want to refer to the remarks of the hon. member for North Ontario (Mr. Sharpe) who spoke last evening. He used the following words::

I was somewhat surprised at the attempt of the hon. gentleman to justify the construction of the eastern branch of the Grand Trunk Pacific from Moncton to Quebec. I do not think there is another member in this House who has the temerity to stand up and, in view of the criticisms that have been launched against that branch of the National Transcontinental railway, attempt to defend it at this stage. We have every reputable engineer, connected with either the Grand Trunk Pacific or the Government service condemning that branch of the National Transcontinental railway from Moncton to Quebec.

These are extravagant words, and are not borne out by the facts. So far as I know, no hon. member from New Brunswick or Quebec on the Liberal side of the House has ever uttered one word to show that he has not the utmost faith in the construction of the line between Levis and Moncton. The hon. member for North Ontario went on to read the following question from the evidence of Mr. Lumsden:

Did you make a study of the advisability of constructing a new line through New Brunswick paralleling the Intercolonial railway?

There is an insinuation in that question of something that is not a fact, because it is not true that the National Transcontinental railway parallels the Intercolonial railway. Mr. Lumsden's answer is:

No, I never had any discussion with the ministers about it.

With whom, forsooth, would the bargain be made? Would it be made with the representatives of the Grand Trunk Pacific or with the engineers? I fancy that the owners of the road would be a party to the agreement. I want to draw attention to the unfairness of the next question. Here is a Royal Commissioner who was supposed to learn the facts of the case, to be fair to each side, asking a question and putting the answer in the witness's mouth. The question is as follows:

You would not have recommended it, would you?

Is there a civil court or a criminal court in our land in which a lawyer would be allowed to ask a question in such a manner? The commissioners even went so far that, when they did not get the answer, they suggested—

[Mr. Demers.]

Mr. BELAND: You are not working with us.

Mr. LOGGIE: You are not working with us; you are dodging the question. Is that a Royal Commission? I think it has been well called an inquisition. It is a one-sided, party inquisition for a purpose. The present Premier of Canada in his election platform at Halifax some years ago said that he stood for adequate protection. I fancy that when an election comes on—and it is perhaps not very far away—this document will be considered as adequate protection to keep the majority that my hon. friends opposite now have.

I want to call attention to an action of this same Mr. Lumsden who, at the time to which I have reference, was chief engineer of the Transcontinental railway. Let me refer to a report of the Transcontinental Commission of 1905. I am sorry that it will take up some time to read this, but I think it is very important, in view of the misleading and partisan statements published in the Gutelius-Staunton report and reiterated on the floor of Parliament to be sent broadcast throughout this country, that there should be put on 'Hansard' at the same time and under the same date the facts as they were represented to the people of Canada in 1905 by this same Mr. Lumsden and by his assistant engineer. Page 75 of sessional paper No. 62 C of 1905, reads as follows:

I requested Mr. M. J. Butler, assistant chief engineer, who had recently been over considerable portions of districts 'A' and 'B'—

That is the section east of Levis.

—to make a comparative report on the distances by the Intercolonial railway from St. Jean Chrysostôme to Moncton, and by our preliminary line; what the probable distance would be on final location between these points by the Transcontinental railway line, and what difference would be made in this distance, supposing we used grades of 1 per cent in each direction; and to compare the operating values of the several lines on the basis of ten freight trains per day each way; and what the difference in the capital account would be.

This report I beg to attach:

Mr. Hugh H. Lumsden,
Chief Engineer,
Ottawa, Canada.

Sir,—In reply to your inquiry of the 20th inst., asking me to report on:

1st. The length of the Intercolonial railway with its 1 per cent grades in both directions from Moncton to St. Chrysostôme where it intersects the line of the survey of the Transcontinental railway.

2nd. The length of the preliminary lines as run by districts 'A' and 'B' of the Transcontinental railway, with balance grades of

0.4 per cent (21 1-10 feet per mile) rising eastwardly, and 0.6 per cent (31 68-100 feet per mile) rising westwardly between Moncton and St. Chrysostôme.

3rd. The approximate shortening of the preliminary line likely to be secured by the final location, preserving the gradients which have been secured.

4th. The approximate shortening of the preliminary line likely to be secured, providing the grades were to be increased to 1 per cent.

5th. To compare the operating values of the several lines on the basis of ten daily freight trains each way, on the Intercolonial railway.

6th. To capitalize the yearly cost, so determined on a basis of money at 4 per cent per annum.

With reference thereto I beg to say:

1st. The distance from Moncton to St. Chrysostôme, by way of the Intercolonial railway is 493.5 miles.

2nd. The distance from Moncton to St. Chrysostôme via the preliminary survey lines as run for the Transcontinental railway, is 504 miles.

I think I might omit sections 3 and 4 and come to what he has to say regarding operation. He goes on:

5th. For the purpose of the calculation, I have taken the Intercolonial railway locomotive No. 310, a simple consolidation recently built by the Canadian Locomotive Company at Kingston, Ont., and which I understand is now in use on the Intercolonial railway, the principal dimensions of which are as follows:

After giving these figures of dimensions, he goes on:

I assume that thirty ton capacity cars, which weigh when loaded 46.15 tons will constitute the train. The several trains which the above locomotive can haul at a speed of fifteen miles per hour on the several grades below are as follows:

Intercolonial railway, 1 per cent grades, 22 cars equal to 660 tons net pay load.

Transcontinental railway, east-bound, 4-10ths of 1 per cent grade, 42 cars, giving 1,260 tons net pay load.

It is worth noting here that the same power can haul over the low-grade line practically twice as much tonnage as over the Intercolonial railway.

Transcontinental railway west bound 6-10ths of 1 per cent grade, 33 cars, giving 990 tons net pay load.

The Intercolonial railway, 10 daily freight trains each way, will haul in a year of 313 working days (length of line 493.5 miles), net pay tons 660 x 2, trains 2 x 10 x 313 days=4,131,600 pay tons; and to haul this number of trains will make 493.5 x 2 miles, 2 x 10 trains, 313 days, 3,089,310 train miles per year.

The cost per train mile on the Intercolonial railway for the year 1903, as given in the report of the Department of Railways and Canals is 97.65 cents, which cost will be used for all comparisons. Hence 3,089,310 train miles x 97.65 cents=$3,016,711.21, which gives the annual cost of operating the ten daily trains on the Intercolonial railway.

The Transcontinental railway low grade line will handle the same tonnage, with seven trains east-bound and five west-bound, although they will not be quite loaded to the full limit, the ratio of east-bound to west-bound traffic is taken at about 6 to 4 (length of line 486 miles). Hence we get 486 miles x 12 trains x 313 days=1,825,415 train miles per year, which moneyed out at the same price per train mile of 97.65 cents equal $1,782,518, which gives the annual cost of operating the twelve trains on the Transcontinental railway.

The annual operating cost of the Intercolonial railway being $3,016,711.21.

The annual operating cost of the Transcontinental railway being $1,782,518.72.

Leaves a net annual saving in favour of the Transcontinental railway of $1,234,192.49.

Which sum capitalized at 4 per cent per annum equals $30,854,812.25.

And this amount is the increased value of the Transcontinental low grade line over and above the existing Intercolonial railway on the basis of ten daily trains each way over the Intercolonial railway.

Yet Mr. Gutelius, in his report, has the audacity to tell the people of Canada that he does not think this line east of Quebec should be constructed at all; and here, on the evidence of Mr. Butler, confirmed by Mr. Lumsden, we have the fact that there is an annual advantage in favour of operating the Transcontinental railway over that of the Intercolonial railway of $1,234,192.49.

Mr. EDWARDS: What did Mr. Blair say about it?

Mr. LOGGIE: Mr. Blair is past and gone, and I think, perhaps, we had better leave that alone. Mr. Butler has made his calculation on a certain tonnage, but now he tells us:

With increased business the difference will be much greater.

For instance on the basis of ten fully loaded trains each way per day on the Transcontinental, we get 486 length line x 10 x 2 trains x 313 days=3,042,360 train miles, which will cost per year at 97.65 cents, $2,970,864.54, and will transport 7,042,500 net pay tons.

To do this business on the Intercolonial railway will require 34 daily trains, and we get 493.5 miles x 34 trains x 313 days=5,251,857 train miles, which will cost per year at 97.65 cents, $5,128,409.06. The annual net savings in favour of the Transcontinental railway on this basis being $2,157,544.52, which sum capitalized at 4 per cent per annum gives $53,938,613, and this amount is the increased value of the Transcontinental low grade line over and above the existing Intercolonial railway on the basis of ten daily trains each way on the Transcontinental railway.

And yet the hon. member for North Ontario (Mr. Sharpe), forsooth, asks: Is there a man to-day who would uphold the action of the Government in the construction of this part of the line?

Mr. Butler concludes:

In all the above calculations no account has been taken of reduced operating cost for passenger trains. It is obvious that substantial savings will result from the use of lighter engines to haul the same passenger train. Less fuel, oil, etc., will be required, less wear and tear to track and bridges through lighter engines, better time and more uniform rates of speed may be maintained.

In conclusion, the cost per ton on the several lines based upon the above figures are as follows:

	cents.
Intercolonial railway, Moncton to St. Chrysostôme, per ton	73
Transcontinental railway, 1 per cent grade, Moncton to St. Chrysostôme, per ton	59 7-10
Transcontinental railway, 0.4 and 0.6 grade, Moncton to St. Chrysostôme, per ton	43

I wonder why the commission did not publish that information in its report. That information tells the people of Canada that the Government used every precaution in connection with the design as well as the construction of this road. They had experts go over the work; Mr. Butler himself was on the ground, for he visited districts A and B on the line east of Quebec.

Let me tell you, Mr. Speaker, what in my opinion are the results of this finding of the engineers. Hon. gentlemen have insinuated that the capital cost of the road has been so high that the Grand Trunk Pacific will not be able to pay the rental and that freight rates will not be reduced—and the same statement is made by the commission in their report. Are these assertions borne out by the facts contained in the report of Mr. Lumsden and Mr. Butler? Let us see how this will work out if we apply the calculations which have been given to the distance of 1,800 miles instead of to the mileage between Levis and Moncton. We have it on the authority of Mr. Butler and Mr. Lumsden—the same Mr. Lumsden from whose remarks the hon. member for North Ontario (Mr. Sharpe) quoted when he was speaking yesterday—that if the Transcontinental is operated with an estimated tonnage between Levis and Moncton there will be an annual saving of over $1,000,000 in operating expenses over and above the cost of carrying the same tonnage over the Intercolonial railway. Mr. Butler says that if you operate ten fully loaded trains each day over the road between Moncton and Levis there will be an annual saving of $2,157,544.52 over and above the cost of operating the same tonnage on the Intercolonial railway, yet the commission had the audacity to say that because the Government had the Intercolonial railway it was not necessary to have this low grade railway between Levis and Moncton. Let me point out that if in operating ten fully loaded trains each way on a distance of 485 miles, $2,157,544.52 can be saved in operating expenses, how much can be saved in operating over a distance of 1,800 miles? That is the question that gets at the bottom of the whole matter. I think my figures are accurate; I challenge any hon. gentleman on the floor of this House to prove their inaccuracy. If the Grand Trunk Pacific can save $2,157,544.52 in operating 485 miles of low grade road, they can save $7,990,900 in operating 1,800 miles of low grade road annually.

The commission tells us—and I am willing to accept the statement—that the Transcontinental will cost $180,000,000 for rental value, including interest compounded annually, and that the lessee will have to pay $5,400,000 per annum as rental. I want to make a calculation as to what effect this rental will have on the earnings of the road, based on the calculations of Mr. Butler, confirmed by Mr. Lumsden, and before doing so I want to refer hon. gentlemen to page 16 of the commissioners' report, upon which I find the following words:

Winnipeg to Moncton, 2,000 miles, say it cost $50,000 per mile. Then to shorten this line to 1,800 miles would permit of expending 200 by $184,000 or $36,800,000 on account of this shortening, or $20,000 per mile for 1,800 miles.

In other words, the Royal Commission suggests that by building a one per cent grade road and employing a distance of 2,000 miles you could do the work for $36,800,000 less than a low grade road would cost. We would thus have a railway constructed on a one per cent grade for $36,800,000 less than $180,000,000 for rental value. If the one per cent grade road had been constructed, the cost, let us assume, including terminals, interest, etc., would have been $143,200,000, on which interest for rental would be paid to the amount of $4,296,000 annually at three per cent as against $5,400,000 on $180,000,000 for the low grade road. Thus, for a one per cent road the rental would be $1,104,000 less than for the low grade road. In operating ten freight trains each way on a low grade road an annual saving in operating expenses of $7,990,900 would be effected. Deduct from this the extra interest of $1,104,000 and we get $6,886,000, showing the net annual gain in operation of ten

freight trains daily over the same operation on the Intercolonial railway. Is there an hon. gentleman who, in face of figures like these, will contend that it would have been wisdom on the part of the Government of Canada and of the Grand Trunk Pacific, who are the lessees, to construct a one per cent line and lose an annual sum such as I have named? In addition to that, note that Mr. Butler says that he has not included the saving in operation of passenger trains. I understand the proportion of freight to passenger net earnings on the Intercolonial railway is about as 66⅔ is to 33⅓. Mr. Butler explains that lighter engines can be used, resulting in less consumption of coal, better time is made, etc. Assume that this proportion of advantage on passenger traffic is a fair estimate, then the $6,886,000 saved on freight operations will be augmented by $2,255,333 from the passenger service. Thus we have a total saving annually in operating expenses of $9,181,383, in favour of operating 1,800 miles of low gradient railway as compared with the operation of 1,800 miles of one per cent gradient railway, such as the Intercolonial railway is at present.

Is there any further proof that the Royal Commission, so called, has presented to this country a partial, an incomplete, an unfair report? They were called upon to do a certain duty and they have done it, they have pointed out to the people of Canada where certain sums could have been saved. I think the sum of $6,000,000 is stated as the amount that could have been saved by the use of momentum grades as against a practically level road. What of it? I ask, what of it? I charge that there is not a hint in that report from one cover to the other that any member of the commission, any one of the engineers in the employ of and paid by the Government, dishonestly used for his own benefit, one dollar of public funds; and it is a credit to the Government that $180,000,000 of the public money has been expended and that yet, after an investigation, there is not a hint that one dollar was taken by a servant of the Government unfairly. If that is not creditable I do not know what could be. The report says that so much money could have been saved by degrading the standard of the road, for instance by building the substructure at Quebec partly of wood and partly of cement. Then, it says, so much could have been saved by using wooden trestles instead of solid fill. They say that $40,000,000 have been misspent. They mention these different items but they do not add up to anything like $40,000,000. The $40,000,000 can only be reached by compounding interest on the amounts. The calculation I have shown will prove to you and to every member of this House that the late Government acted wisely in providing for a road of the highest possible standard.

I am sorry to have to say that this is an unfair report. We all know what the agreement was. The commission have very unfairly represented the object of the railway. They say simply that it was a means to secure cheaper transportation. But this road opens up a new country; by its construction we roll back to the northward the map of Canada. It is a colonization road as well as a road for transportation from the East to the West, and there are advantages accruing to Canada from the construction of this road in the way of new population in the Northland. Many thousands of loyal Canadians will be located along this road. Many are now locating there in Quebec and New Brunswick. I said in my opening remarks that it was unfair for the hon. member for North Ontario to say that this road parallels the Intercolonial railway. We might as well say that all roads running east and west parallel each other. In a sense it is true, but if hon. gentlemen will take the map they will find a difference between the Intercolonial railway and this line; they will observe that it opens up an entirely new section through New Brunswick, a section that probably would not have been opened for the next hundred years if it had not been for the fact that this is a part of a through line, because the local trade would not of itself be sufficient to support a railway.

I think I have demonstrated that that report is wilfully partisan, that the commissioners have wilfully omitted things they ought to have put in the report and that they have given an overdrawn picture of other things which they have inserted in their report. They have put answers in the witnesses' mouths, they have been unfair; and if it is wilfully partisan it is misleading, so that the words of the amendment are words that are actually borne out by the facts. Will hon. gentlemen vote against the facts or will they stand up and vote so that it cannot be said to the world at large that the Government of the day have endorsed what hon. gentlemen have said regarding the construction of this railway? Let me put one more thing to you. If there is one thing more than another

that seems to me unfair in this report it is the statement made with regard to the Grand Trunk Pacific on page 24 of the report.

They insinuate that the Grand Trunk Pacific condoned the overbreak, or paying to the contractors more than they had a right to get, because, forsooth, the Grand Trunk Pacific themselves were contractors. Then the report goes on to say that they did not do the work themselves but that they sublet their contracts on the basis of 5 per cent. Thus they insinuate that the Grand Trunk Pacific, for the paltry sum of 5 per cent of any amount alleged to have been paid as overbreak more than should have been allowed by the engineers, acted contrary to the interests of the stockholders of that corporation. Is it worthy, or unworthy, of the Government of the day to say that about a great corporation like the Grand Trunk Pacific? I think it is a slander on the Grand Trunk Pacific and on the Grand Trunk, the pioneer railway organization of Canada. That is another reason why I say that the amendment is in accordance with the facts and ought to be voted for by every member of this House.

The acting Minister of Railways, in addressing this House on the subject, was most unfair in adding to his statement $42,000,000 for seven years' interest, as the amount, on the basis of the rental, which the road will have to pay. That is absolutely unfair because every man in this House knows that the Grand Trunk Pacific are to have the road for seven years rent free and if you add seven years' interest and they have to pay interest on that amount for 43 years, that they are not receiving seven years' rent free. When the attention of the hon. Postmaster General (Mr. Pelletier) was drawn to that he said that the acting Minister of Railways and Canals was right. I am willing to excuse the Postmaster General because, perhaps, he did not know the facts, but there is no excuse for the acting Minister of Railways and Canals in putting that statement before the country. It was unfair on the part of the royal commission not to show the advantages in the way of operation as against the interest charges. It was unfair not to show that the Grand Trunk Pacific entered into that agreement for 0·4 per cent and 0·6 per cent grades. Perhaps I ought not to put it exactly in that way because there is a clause in the report that the Grand Trunk Pacific entered into that agreement for 0.4 per cent and 0.6 per cent grades on the cost of which they have to pay interest for 43 years. Would the Grand Trunk Pacific wish an undue cost to be added to the 1,800 miles of road in order to cover up an alleged overcharge with respect to the 271 miles for which they themselves had the contract? It was unfair of the commissioners to endeavour to have witnesses answer the questions of the commission in a way which would not be allowed by any judge in any civil or criminal court. It was unfair to allege that those in charge of the construction, including the Grand Trunk Pacific, did not consider it desirable or necessary to encourage economy in the construction. The statement of the royal commission in that regard is absolutely without foundation. It is all very well for them to make a statement like that but they have not substantiated it. All they have substantiated is that the railway could have been built for less money by degrading it. In the same way, if you start to build a store, you can lessen the cost by degrading the character of the work. I have read the report through, although I have not read all the evidence, and that is all I can find in it.

I have nothing more to say than that it will give me great pleasure to vote for the amendment. I think the amendment is in accordance with the facts. I am sorry to think that this report has to go broadcast through the country making these unfair insinuations against the Grand Trunk Pacific. It does an injustice to the credit of Canada and to the management of public affairs. I suppose that its object is to do duty before the country. It seems to me that we might place on the title page the words 'adequate protection'. Then, it will do its duty when the election comes on. It will then be said by those who have charge of the election campaign, as the commission say on page 15 that, '$40,000,000 at least was needlessly expended in the building of this road.' Then some paper, or some supporter of the Government, will take up the cry that $40,000,000 of the people's money has been squandered. Then it will be added to and it will be said that something worse than that has been done with $40,000,000 of the people's money. Then there will be the story—the money is gone but there is no money for the navy; they refused $35,000,000 to protect the old land. That would not be true if they did say that. It is not true at all because we were willing to give very much more than $35,000,000; we offered it.

Some hon. MEMBERS: Oh, oh.

Mr. LOGGIE: Hon. gentlemen may laugh, but, nevertheless, they cannot dispute the facts as I place them before the House and the country. I trust that hon. gentlemen will take this matter into their serious consideration and not allow their partisan views to carry them away. Let them rise to the dignity of the occasion and make an amendment of their own if they like. I suppose that, if they accepted our amendment, it would be considered as a vote of want of confidence in the Government, but let them make an amendment of their own which will take away from the Government the responsibility of condoning the report of this Royal Commission drawn up in the words that we find between these covers. I thank you, Mr. Speaker. I am sorry to have taken up so much of the time of the House, but I thought it was a duty which I owed to my constituents and the country to place on record my views with regard to this important question.

On motion of Mr. Douglas the debate was adjourned.

On motion of Mr. Rogers, the House adjourned at 11.28 p.m.

Wednesday, April 1, 1914.

The House met at Three o'clock, the Speaker in the Chair.

FIRST READINGS OF BILLS.

PUBLIC BILLS.

Bill No. 136, to amend the Dominion Lands Act.—Mr. Roche.

Bill No. 137, to amend the Dominion Forests Reserves and Parks Act.—Mr. Roche.

Bill No. 138, to amend the Irrigation Act. —Mr. Roche.

PRIVATE BILLS.

Bill No. 134, to amend the Inspection and Sales Act.—Mr. George E. Foster.

Bill No. 135, respecting a certain Patent of Rudolph Goldschmidt.—Mr. Fripp.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

DREDGE W. S. FIELDING.

Mr. CARVELL:

1. How much has it cost for repairs and renewals for the dredge formerly officially known as the W. S. Fielding, at work in the harbour of St. John from October 1, 1911, to the present time?

2. What persons, firms or corporations did the work?

3. Was the work done by tender? If so, who were the tenderers and what was the amount of each tender?

Mr. ROGERS:

1. $23,019.63.

2. Union Foundry and Machine Company, under contract, $284; repairs at different times, $3,317.74; St. John Iron Works, under contract, $2,074.60; repairs at different times, $2,134.84; Wm. Lewis & Son, under contract, $3,250; repairs at different times, $7,403.35; J. F. Williamson, $573.70; Department of Marine and Fisheries, $1,822.49; T. McAvity & Son, $53.71; D. McLachlan & Son, $1,055.26; Schuller Electric Company, $550.30; E. S. Stephenson, $195.59; James Fleming, $56; G. Hevener, $43.60; J. E. Wilson, $164.25. Total, $23,019.63.

3. Tenders were asked for: Bucket repairs: Wm. Lewis & Son bid $3,250; tender accepted. Union Foundry and Machine Company bid $7,000.

Tumbler repairs: Union Foundry and Machine Company bid $284; tender accepted. Wm. Lewis & Son bid $527.

Boiler repairs: St. John Iron Works bid $2,074.60; tender accepted. James Fleming bid $2,300.

INTERCOLONIAL RAILWAY SURVEY STAFF.

*Mr. EMMERSON:

1. Has the Intercolonial railway a staff of engineers employed in surveying near Dorchester and Sackville, New Brunswick, with a view to double tracking and the securing of improved grades and curves? If so, who is the engineer in charge, and is he a former employee of the Canadian Pacific railway?

2. Who are employed as engineers or otherwise assisting in the work, what are their ages and nationality respectively, with what railways were they employed just previous to their engagement by the Government railway, and are any of them American citizens?

Mr. REID:

1. Yes. H. S. Clarke. He is not a former employee of the Canadian Pacific Railway Company.

2.

Name.	Age.	Previous employment.
H. S. Clark.. ..	26	Can. Northern Ry.
G. H. Patterson	26	St. John & Quebec Ry
S. W. Brodeau	28	St. John & Quebec Ry.
G. E. Dowling	43	Nat. Trans. Ry.
C. R. Magrane	18	Can. Pacific Ry.
A. E. Oulton..	20	None.
J. W. Johnstone	20	Can. Northern Ry.

Name	Age.	Previous employment.
B. H. Smith..	20	St. John & Quebec Ry.
V. H. Carruthers	20	None.
J. E. Stulz.. ..	17	None.
E. C. McCall..	22	Intercolonial Ry.
N. Pettis..	19	None.
G. Bishop.. ..	20	None.
R. Herrington..	23	Nat. Trans. Ry.
W. Ohearn.. ..	17	Intercolonial Ry.
F. McKinnon..	42	Intercolonial Ry.

S. W. Brodeau, G. R. Magrane and J. E. Stultz were born in the United States.

CANADIAN NORTHERN RAILWAY TERMINALS.

Mr. EMMERSON:

1. Has the Government any knowledge as to the ownership of the so-called Canadian Northern Railway System terminals at Montreal, Winnipeg, Moosejaw, Vancouver, Port Arthur, Port Mann, Quebec and at other points respectively?

2. Is the Government aware as to how and in whom the title of the right of way of the said Canadian Northern railway through Carleton county, Ontario, is vested?

Mr. REID:

1. The terminal property referred to, with the exception of Vancouver and Port Mann, is owned by the Canadian Northern Railway System Terminals, Limited, the capital stock of which terminal company is owned by the Canadian Northern Railway Company. The terminals at Vancouver and Port Mann are owned by the Canadian Northern Pacific Railway Company, the stock of which company is all owned by the Canadian Northern Railway Company.

2. The title of the right-of-way through Carleton county, Ontario, is owned by the Canadian Northern Ontario railway.

INVESTIGATION BY RIMOUSKI ADVOCATES.

*Mr. GAUVREAU:

1. How much have Messrs. Louis Taché and J. N. F. Pouliot, advocates of Rimouski, received for the investigations held by them since 1911?

2. How many investigations have been held by each of them?

Mr. CODERRE:

1. Railways and Canals: Louis Taché, $517.23; Post Office, Louis Taché, $260.15; Post Office: J. N. F. Pouliot, $400.

2. Railways and Canals: eleven investigations by Mr. Taché; Post Office; ten investigations by Mr. Taché; four by Mr. J. N. F. Pouliot.

AID TO CANADIAN NORTHERN RAILWAY.

Mr. BURNHAM:

What aid has been promised, given or otherwise arranged for, directly or indirectly, by the Government of Canada to or with the Canadian Northern Railway Company, or any of its subsidiary lines, or propositions or any part thereof, since the inception of the same?

Mr. REID:

Canadian Northern railway.

Cash Subsidy.	Granted.	Paid to December 31.
Swan River section.. ..	$ 374,606	$ 374,606
O. & R. R. Ry..	1,534,526	1,534,526
E. Y. & P. Ry..	91,200	91,200
	$ 2,000,332	$ 2,000,332
Canadian Northern Alberta Ry..	$ 3,120,000	$ 2,832,024

Canadian Northern Ontario Railway.

Toronto-Sudbury	$ 1,872,960	$1 1,872,960
Toronto-Ottawa..	1,600,000	1,363,122
Hawkesbury-Ottawa. ..	369,872	369,872
Ottawa-Port Arthur ..	10,920,000	6,518,516
	$14,762,832	$10,124,470

Canadian Northern Quebec Railway.

Garneau-Quebec.	$ 523,820	$ 523,820
St. Jerome branch.. ..	97,280	97,280
Rawdon branch..	86,468	86,468
	$ 707,568	$ 707,568
Canadian Northern Pacific Ry..	$ 6,300,000	$ 4,349,930
Halifax and South Western Ry..	$ 1,364,210	$ 1,364,210
Total	$28,254,942	$21,378,534

Guarantees.	Authorized.	Released to December 31.
Canadian Northern Ry..	$17,256,584	$15,397,488 36
Canadian Northern Alberta Ry..	6,719,998	4,391,077 30
Canadian Northern Ontario Ry... ..	35,770,000	20,149,256 53
	$59,746,582	$39,937,822 19

No land was granted direct to Canadian Northern railway, but this company has received from the contractors who constructed the Lake Manitoba Railway and Canal Company, the Winnipeg and Hudson Bay railway and the Manitoba and South Eastern railway, 4,002,848 acres.

'SAFETY FIRST' ENGINEER.

Mr. BOURASSA:

1. Who is the Mr. Long who lectures the employees of the Intercolonial on the Safety First?

2. Does that gentleman draw any pay from the Government for such lectures? If so, what is his salary?

3. Is he a British subject?

Mr. REID:

1. Mr. John Edwin Long is an expert

Safety First engineer previously employed with the New York Central and Hudson River railways, and is employed by the Canadian Government railways as such.

2. $175 per month.

3. No.

MR. JUSTICE CLEMENT'S TRAVELLING EXPENSES.

Mr. BOULAY:

What is the amount paid by the Government to the Hon. Justice Clement, of British Columbia, as travelling expenses, and which was declared by the court to have been illegally drawn by him?

Mr. DOHERTY: $4,290.

SOULANGES CANAL OVERSEER.

Mr. SEGUIN:

1. Does the present superintendent of the Soulanges canal, Mr. Adelard St. Armour, perform his duty to the satisfaction of the department?

2. Was his way of fulfilling his official duties as superintendent investigated?

3. If so, at whose request was such investigation held?

4. By whom was it presided over and what conclusions were arrived at?

Mr. REID:

1. Yes.

2. Yes.

3. J. J. Bissonette.

4. W. L. Shurtliff; St. Amour was sustained in his position.

Mr. SEGUIN:

1. What is the name of the present superintendent of Soulanges canal, and who did he succeed?

2. Who was the superintendent on the 21st of September, 1911?

3. What are the reasons for his dismissal?

4. Was there an investigation?

5. How long has his successor acted as superintendent?

6. Was there an investigation held when the latter ceased to act as superintendent of the canal?

Mr. REID:

1. There is no such position as superintendent of the Soulanges canal. The name of the overseer is A. C. St. Amour.

2. L. A. Sauvé held the position of overseer on September 21, 1911.

3. Active political partisanship.

4. Sworn evidence was submitted.

5. Since December, 1911.

6. He has not ceased to act.

L'ASSOMPTION PROPOSED WHARF.

Mr. SEGUIN:

1. Does the Public Works Department intend to include in the Supplementary Estimates this session an amount sufficient to cover the expenses of the construction of a wharf in the town of L'Assomption, on the L'Assomption river?

2. Have petitions or requests been filed towards securing such construction?

3. What are the reasons for delaying the work?

Mr. ROGERS:

1. This information cannot be given until the Supplementary Estimates are laid before Parliament.

2. Yes.

3. Answered by No. 1.

QUEBEC-LEVIS MAIL CONTRACT.

*Mr. LEMIEUX:

Who has the contract for the conveyance of the mail between Quebec and Lévis, and what is the amount of contract?

Mr. PELLETIER: No contract has as yet been executed. The department expects to close the negotiations which have been going on for some time with the La Traverse de Lévis, Limitée.

FRASERVILLE 20th BATTERY.

*Mr. GAUVREAU:

1. What hall has been rented at Fraserville for the accommodation of guns of the 20th Battery C.F.A.?

2. Who is the owner or proprietor?

3. What is the amount paid for rent?

Mr. SAM. HUGHES:

1. No hall has as yet been rented for the accommodation of guns of 20th Battery. There was rented, however, for a period of six weeks last fall, a building known as 'Dubé's Hall' for $100. This was for a provisional school only.

2 and 3. Answered by No. 1.

QUEBEC HARBOUR COMMISSION ATTORNEY.

Mr. GAUVREAU:

1. Is it the intention of the Minister of Marine and Fisheries to inquire from the Quebec Harbour Commission as to who has taken Advocate Stewart's place as its legal adviser and as to his salary?

2. If so, when does he intend to make such inquiry and will he inform the House of the result?

Mr. HAZEN:

1 and 2. On March 12 last, in reply to an inquiry, the Minister of Marine and Fisheries informed the hon. member for Temiscouata (Mr. Gauvreau) that the department had no information as to whether or not Mr. Stewart, attorney for the Quebec Harbour Commission, had been replaced by any one else, or what the salary attached to the position was. Since then

there has been no further inquiry with regard to the matter. If the hon. member desires the Department of Marine and Fisheries to get such information for him, and will so state, the minister will be pleased to communicate with the harbour commissioners with a view to obtaining the same, and will inform the House of the result.

L'ISLE VERTE WHARF.

Mr. GAUVREAU:

1. Was there any complaint laid before the Minister of Public Works or the Minister of Marine and Fisheries, informing them that the earth, etc., taken from the inside of the wharf at L'Isle Verte was being deposited in the channel of the river?

2. If so, was any answer given thereto? If so, by whom and what was its nature?

Mr. CODERRE:

1. Yes, a complaint was sent to the Department of Marine.

2. Yes. The Assistant Deputy Minister of Marine and Fisheries advised the Public Works Department, under whom these dredging operations were being carried out, as to the complaint made. The chief engineer of the Public Works Department reported that the dredged material was placed off the channel of the river, and could not in any way interfere with navigation, and moreover, that all the dumping would be carried away by the ice in the spring. The complainant was so informed by the Assistant Deputy Minister of Marine and Fisheries.

UNOPPOSED AND UNDISCUSSED MOTIONS.

Mr. Sexsmith.—For a return showing what it cost the Government for bottled and distilled water in Ottawa since January 1, 1912, to March 1, 1914; what it is costing the Government per day now for bottled and distilled water.

Mr. Sinclair.—For a return showing total amount paid for pensions by the Department of Militia and Defence for the year ending March 31, 1913; the number of militia officers at present on the pay roll of the permanent corps; the number of private soldiers at present on the pay roll of the permanent force; the number of private soldiers who joined the force during 1913; the number who deserted during 1913; the gross amount expended by the Department of Militia and Defence for the salaries of officers and officials of every kind in the employ of the department at Ottawa or elsewhere during the fiscal year 1912-1913; the gross amount paid out for services to the private soldiers of the permanent corps during the said year 1912-1913.

IMMIGRATION INTO BRITISH COLUMBIA.

On the Orders of the Day being called:

Mr. OLIVER. I desire to ask the Minister of the Interior (Mr. Roche) if he is prepared to make a statement concerning the action of the Government with regard to immigration into British Columbia. The Order in Council which prohibited the immigration of artisans up to the 31st of March has, of course, expired; and I am sure the House and the country will be glad to know what action, if any, the Government intend to take.

Mr. ROCHE: That Order in Council has been continued for another six months.

THE MISSING KARLUK.

On the Orders of the Day being called:

Mr. OLIVER: I wish to ask the Minister of Marine and Fisheries (Mr. Hazen) if any action has been taken by the Government toward sending an expedition in search of the Karluk. I saw a statement to that effect in the newspapers and would like to ask if it is correct.

Mr. HAZEN: The statement which the hon. gentleman saw in the newspapers is entirely incorrect. No such action has been taken.

THE NATIONAL TRANSCONTINENTAL RAILWAY.

Consideration of the proposed motion of Hon. W. T. White (Minister of Finance) for Committee of Supply, and the proposed amendment of Mr. Graham thereto, resumed from March 31.

Mr. L. J. GAUTHIER (St. Hyacinthe): Mr. Speaker, it is with a good deal of reluctance that I have decided to take part in this debate, and when I look into the difficulties connected with my speaking at this stage, I realize that they are two-fold. First of all, coming into the discussion after various hon. gentlemen who from both sides of the House have contributed well-prepared addresses on the question at issue, it may be thought that it will be impossible for me to avoid falling into tedious repetition. Secondly, I may say that I intend to discuss the matter not as a partisan, but from the general standpoint of public and provincial interest. I may assure you, Sir, that I will not worry the House with quotations, and I will not roam through a mass of engineering technicalities, because I am not conversant with that side of the question, and it would not affect the point of view which I take in regard to this matter. As it is necessary for the proper presentation of my views that I should deal with the history of the road, I will, with the permis-

sion of the House, make an analytical sketch of the discussion which took place in the House when the legislation providing for the construction of the National Transcontinental railway was enacted and how the work was executed. And I will then come to the report of the commissioners and endeavour to point out what is the duty of the Government in that regard.

When the legislation creating the National Transcontinental railway was brought down in 1903, the Government met with a very hostile opposition from many quarters. First of all, the Canadian Pacific Railway Company could not view without apprehension the invasion by a competitor of the territory of which they had at the time a practical monopoly, and those who were friendly to this national corporation claimed that it was not fair for the Government of Canada to use public money and to pledge the credit of the country to create a competitor to a private concern. They contended also that the Canadian Pacific railway had done much for the development of our western country and that it was nothing but just that it should be allowed to reap the benefit of its long years of expenditure. To this line of argument the Government of the day answered that it was true that the Canadian Pacific railway had done much for Canada, but that Canada had done its share for the Canadian Pacific railway. It was true that through the campaign of literature carried on by the company, immigrants had been induced to take up the land of our western country; but at the same time the development of that country was such that the Canadian Pacific could not give satisfaction to the western part of Canada, and that the creation of another company would not bring undue competition to bear upon the Canadian Pacific railway, which was unable to face alone the development of our western prairies.

Then, the Government of the day had to face the opposition of the Tory party. It has been said that the duty of the Opposition is to oppose, and the Tory Opposition of that time did their best to oppose the idea of Canada's building a transcontinental railway. The opposition of the Tory party assumed many aspects. Some hon. gentlemen of the Opposition claimed that the construction of the Grand Trunk Pacific railway should terminate on the shores of the Great Lakes. Others thought that if the Grand Trunk Pacific had to be built it would be better to build it from Winnipeg to North Bay and there link it up with the Grand Trunk railway system. Other members of the party, having at their head the late member for the county of Jacques Cartier (Mr. Monk), contended that if it were necessary to build a National Transcontinental railway, it would be better to build, as a substitute for the project of the Government, a line running into our colonization territory so as to connect it with other lines of railway running south to north from the St. Lawrence river. Not only had the Liberal Government of 1903 to meet the opposition of the Canadian Pacific Railway Company and those who were friendly to it; not only had they to meet the opposition of their opponents in this House, but they had to face also the opposition of one of their own friends. The Hon. Mr. Blair, who up to that time had been Minister of Railways and Canals, severed his connection with the then Government because he held the view that it would be unfair to the Intercolonial railway if the Government should build a railway which would parallel the Intercolonial railway, and which would be leased to another company. Mr. Blair was in favour of extending the Intercolonial railway over the Canada Atlantic from Montreal to Parry Sound so as to compete as a Government-owned railway for the traffic of the West.

He claimed that building the road as the Government intended to build it involved an unwarranted expenditure, that it was useless for the Government to enter upon such an undertaking, that the railway would traverse a barren country, that the road would never make expenses. It was said that the Government had not sufficient data to go on with such a huge undertaking. If any hon. member will read the debate that preceded the adoption of the law creating the National Transcontinental railway, he must admit that this is an accurate synopsis of it. The Government of the day claimed that this opposition was not well founded. They had every confidence in the future of this country; they thought that the time was ripe for Canada, in justice to our western farmers, to secure for them an outlet for their produce to the markets of the world. At the same time, they so designed the railroad that it would do justice not only to the West but also to the East; not only to the new country west of lake Superior, but also to the old provinces that at first constituted the Dominion of Canada. You hear very often that there are men in this country who think that Canada begins on the shores of the Atlantic

and ends on the eastern shores of lake Superior. On the other hand, you have some Canadians who are under the impression that Canada begins only west of lake Superior. In my own province, there is a class of politicians who, on the public platform and by every other means, trying to arouse prejudice, claim that the province of Quebec, being one of the oldest and being inhabited by descendants of the French race, should not welcome immigration to our shores because the greater the immigration the sooner we shall see the province of Quebec completely outvoted; for, of course, in this country the majority must rule and must enact the laws. I belong to the province of Quebec; I am proud of my province and of my race; but, thank God, I do not want to stop the development of this country. Canada should do her utmost to develop the western part of our country, and it is only just that she should give to those who have come to throw in their lot with us every opportunity for success; we must not give them any reason to regret that they have come to work hand in hand with us. But at the same time, the older provinces have a right to be heard, to secure at least justice from the central Government of Canada. The National Transcontinental railway was designed to provide an outlet for the produce of the West, to afford that competition with the Canadian Pacific railway for which the farmers had been asking, to open new regions in the provinces of Ontario, Quebec and New Brunswick, and to keep the trade of our great western country for the benefit of the whole of Canada. That was the design of the National Transcontinental railway; but when the Government of that day submitted this measure to the consideration of Parliament, the faith of their Administration was pledged. It was not only the policy of the Liberal party and Government, but it was enacted as the law of this country. It was and is a contract entered into by the Parliament of Canada on one side and the Grand Trunk Pacific on the other side. The Government of Canada represented the provinces. What was the reason that we submitted to the electors of this country in the general election of 1904 for accepting that policy? The reason, Sir, was that every province was having its share of justice. It is true that the money of the country was being spent to create an outlet for the West; but the contract entered into with the Grand Trunk Pacific Company was acknowledged and accepted by the electorate of Canada because every province and every part of the electorate was receiving its share of justice.

I shall not discuss what was to be the cost of the National Transcontinental railway, and the reason is very clear. I claim that in 1904 the principle of the construction of the road was accepted by the electorate. From 1904 to 1908 the Government of the day had begun the expenditure of the money, and everybody in this country realized that the road was going to cost more than the original estimate. But it was an issue in the general election of 1908. We went before the electors and discussed that single question. What was the motto of the campaign ? 'Let Laurier finish his work; let the Government finish their work; let the Government go on with the expenditure; because what this country requires is a railway built according to the conditions of the contract and of the law enacted by the Parliament of 1903.' I do not defend this measure because it is a measure of the late Administration; I defend it as it has been enacted and as the work has been proceeded with, because it is in accordance with the contract agreed to by Parliament. The Minister of Justice, speaking in this Chamber, said that there was a contract in reference to the pension fund, and that it had to be respected. If it was only right that that contract should be respected, as the hon. Minister of Justice said, have I not a right to say that the contract entered into with the Grand Trunk Pacific should also be respected by this Government? The same principle and the same reasoning are involved. But there are other reasons. The road has been paid for partly out of the surplus of the different administrations and partly by the selling of bonds unloaded on British investors. What induced the British investors to buy those bonds? It was because a contract had been entered into by the Parliament of Canada guaranteeing the bonds and the construction of a first-class railroad. Yet this Government of 1914 are degrading the road; and are they not also degrading the value of the securities held by the British bondholders? This is the first time that I have seen an administrator—although the Government of the day claim to be masters of this country, they are only its administrators—appointed to manage the affairs of an estate, doing his utmost to degrade the asset which has been confided to him to administer. What a feeling of security the spreading of this report will engender in the minds of bondholders all over the world! The ministers on

the Treasury benches may claim that they are spreading this report broadcast to show what kind of administrators their predecessors were; they may claim that it is in the public interest; but how can it be in the public interest to create a false impression abroad that the Government of this country have indulged in bribery and wasteful expenditure of the public money? What benefit will that be to the community? None whatever.

There is another phase of the question with which I wish to deal. Not only have the bondholders' securities been degraded by this Government, but the different provinces are not being treated fairly. When the different provinces entered into Confederation they gave to the central Government all their sources of revenue and kept themselves all the departments which involved expenditures. That is why, at different times, provincial governments have come to the central Government and asked for a better repartition of the revenues of the country. They have made their case so clear that the Government at Ottawa had to enact legislation giving a bigger proportion of the taxes to the provinces. The revenues of the provinces are small compared with the revenues of the Dominion, but their expenses are great. When the legislation creating the Northern Transcontinental railway was enacted, the governments of the provinces of Ontario and Quebec, having every confidence that the compact would be kept to the letter, incurred great expenses in surveying land and creating villages, so that they would be in a position to help in the development of this country when the railroad was in operation. Do you think for one minute, Mr. Speaker, that the Government of the province of Quebec would have gone to the expense they have incurred at La Tuque, and all the other villages along the line, if they had believed that with a change of Government the railroad would also be changed, and that instead of these villages being on the main line of the Grand Trunk Pacific, they would be only on a local line carrying practically no through traffic? I say no, not for a moment would they have incurred that expense. Since I have had the honour of occupying a seat in this Chamber, I have seen members from the Maritime provinces stand up to defend the rights of their provinces, and lately I have heard one of the representatives of the province of Prince Edward Island asking that the law be set aside in order that Prince Edward Island should retain its present representation in this House. The members from the Maritime provinces were fighting for the rights and prerogatives of their provinces, and no one denied them that right. When the members from the province of Ontario claimed their rights and pointed out the duty of the Government towards their province, no one denied them that right. Nor was any dissatisfaction expressed when western members claimed certain rights for their provinces. But every time that a member from the province of Quebec stands up to assert the rights of his province, immediately you will hear, or see in the press, that that man is raising a race cry, or is indulging in peanut politics. I claim that the province of Quebec has as much right as any other province in this Dominion to be treated fairly. I do not claim that it should be given favours. No. All we are asking for is justice—justice for every part of this country.

Through this bargain, the people of the West were afforded the outlet for their products which they were demanding. Does any one contend that when this Government decided to degrade the road, justice was done to Ontario, to Quebec, or to the Maritime provinces? Certainly not. This contract was enacted by Parliament, on the understanding that the people of Canada would be treated fairly according to its terms, and the Government in endeavouring to destroy what Parliament did in 1903 is renegade to its duty. That is not what this Government was elected for. In 1903 the Parliament of Canada enacted this legislation; in 1904 the electorate of Canada sustained the Government for passing that legislation, and in 1908 the people of Canada, knowing that the expenditure was larger than at first estimated, imposed on the late Administration the duty of continuing the work. Under these circumstances Mr. Gutelius and Mr. Lynch-Staunton, or Staunton-Lynch, have no right to come here and for a fee of $65,000 to impeach the Parliament of 1903 and the opinion of the electorate of Canada in 1904 and 1908. If the present Government wanted to repeal this legislation, why did they not bring forward a measure to do so in 1912, in 1913, or in 1914? They knew that even their supporters would not sustain them on such a proposition; they knew that under our democratic system such conduct could

lead to nothing but anarchy. Why did not the Government, before degrading the road, consult the electorate and get their approval? They dare not do so, because they knew the people would not sustain them. In spreading broadcast the report of this commission, which was made for the definite purpose of inuring their opponents in the public mind, do not they know that they are creating a precedent which may be bad for them when they leave office? They will not be long in power; they are sowing the wind now, and later they will reap the whirlwind. Since they came to office there are some acts of administration which they have carried out, and which are dear to them, but do they think they will be satisfied, if after having, in their opinion, done the best for the country their successors should cancel the legislation they have enacted? On the whole, the electors of Canada are an honest people; there may be individual exceptions, but on the whole, I assert that the electors of Canada are actuated by good principles. When the Liberals were defeated on the 21st of September, 1911, the people of Canada said to the Tory party, administer the affairs of the country according to your own ideas, but the people gave the Tory party no mandate to destroy what had been in existence. They were charged to develop this country, not with ruining its credit; they were charged to make the country prosperous—prosperity they did not bring to the country, but they should have at least remained within the lines of their mandate. If the Tory party could do nothing for the prosperity of the country, they should at least not have destroyed that which they had been charged to keep intact.

4 p.m.

To the Prime Minister, who has been listening to my remarks, I say: there are in Canada a large number of electors who put their confidence in the Conservative party now in power, because they thought that under the right hon. gentleman they would have a clean, honest, and progressive government. Does the right hon. gentleman think he has respected the confidence of the people by appointing a commission, such as we are now discussing, and becoming responsible for his party's press bureau sending false statements broadcast throughout the country, twelve months before the report was presented to Parliament, so as to create the false impression that the country had been swindled out of $40,000,000, when on the report being presented it is found that it does not corroborate such assertions? It is not fair to the country, it is not fair to Parliament, it is not fair even to the right hon. gentleman himself that such an attempt should have been made to mislead the people. I know that we cannot force certain hon. gentlemen on the Government benches to have confidence in the Opposition, but above party politics, and above the desire to remain in office, there is the public interest which should always be respected.

With these few remarks, I hope that the report as it is now will be the vindication of the late Administration; and let me hope that before it is too late the Government will come back to the old contract and will restore to the road its former degree of efficiency. If they do not do so, we will wait for them at the polls, where they will receive their condemnation, because the contract must be adhered to as is was signed and concurred in by Parliament in 1903, and, approved by the people of this country in 1904, and in 1908.

Mr. E. M. MACDONALD (Pictou, N.S.): Mr. Speaker, eleven years ago the Government of the day came to this Parliament with a proposition that the time had arrived in the history of Canada when we should enter upon the construction of a second transcontinental railway. They submitted to Parliament an agreement made with the Grand Trunk Pacific Railway Company of Canada and containing in its recital a statement of the reasons which had induced the Government to enter upon that enterprise and to ask the Canadian people to provide the funds necessary to carry it into effect.

It is perhaps just as well for us, in the inception of our consideration of this question, to see what was the original idea in regard to this enterprise. I read from the contract made on the 29th day of July, 1903, between the Government of the day and the Grand Trunk Pacific Railway Company:

> Whereas, having regard to the growth of population and the rapid development of the production and trade of Manitoba and the Northwest territories, and to the great area of fertile and productive land in all the provinces and territories as yet without railway facilities, and to the rapidly and expanding trade and commerce of the Dominion, it is in the interest of Canada that a line of railway, designed to secure the most direct and economical interchange of traffic between eastern Canada and the provinces and territories west of the Great Lakes, to open up and develop the northern zone

of the Dominion, to promote the internal and foreign trade of Canada and to develop commerce through Canadian ports, should be constructed and operated as a common railway highway across the Dominion from ocean to ocean, and wholly within Canada.

That is the germ of the proposition put forward at that time by the Liberal party and approved on the repeated occasions on which the electorate were called upon to discuss it.

Although we have this report, ridiculous in its character, mischievous and false in its allegations, put before the Canadian people at this juncture, there never was a time during the last six years when any Conservative of responsibility was prepared to take the position that this transcontinental railway should not be constructed where and when it was proposed to be constructed by the Liberal party. We are told by hon. gentlemen opposite that, when this proposition came before Parliament, the then Premier of Canada told the Canadian people that the railway would cost only $13,000,000, and that the then Minister of Finance said that it would cost only $61,000,000. Let us consider for a moment the truth of these allegations and how far this question of cost entered as an element into the consideration of Parliament when it passed that Act in 1903. Every one knew that the northern part of Canada between Winnipeg and Quebec and between Quebec and Moncton had undeveloped resources of the greatest possible extent. General information was to be had in the various departments of the Government in regard to this, and the statement of Mr. Schreiber is to the effect that there existed in regard to the condition of that part of the country preliminary reports made by surveyors such as Sir Sandford Fleming. From that information Mr. Schreiber gave to the Minister of Finance of that day estimates upon which the latter based his figure of $61,000,000. Every one in Parliament at that time knew the conditions under which the estimate was made. Every one knew that no test pits had been sunk, that no experimental surveys of the land had been made as to the location of the road and so as to arrive at definite figures. Therefore no one would be able to say within $10,000,000 what the road would actually cost. Although the Conservative members in all the intervening years have declared that the present leader of the Opposition stated that the cost of this railway was to be only $13,000,000, every one of them knew that the leader of the Opposition was only speaking of the interest upon the cost as estimated by Mr. Schreiber. But hon. gentlemen opposite did not accept these figures. What did they say? My hon. friend the member for North Toronto (Mr. Foster), a member of the present Cabinet, told the country at that time that the railway would cost $73,000,000. My hon. friend the member for Peel (Mr. Blain) told the country that it would cost $100,000,000. The late Minister of Railways, the Hon. Mr. Haggart, said that it would cost $125,000,000. The hon. member for West Hastings (Mr. Porter) said that it would cost $150,000,000. You, Mr. Speaker, then gave an opinion in regard to its cost. You knew that it would cost more than $13,000,000 or $61,000,000. You said that it would cost $125,000,000. You were not deceived. It was stated by a prominent member of the Opposition of that day, the hon. member for West Toronto (Sir Edmund Osler), that the railway would cost $200,000,000. The right hon. gentleman who leads the Government to-day said that the railway would cost anywhere from $75,000,000 to $100,000,000 and that on account of the four-tenth per cent grade, it was impossible to tell in advance within $10,000,000 of what it would cost. When we went to the people in 1904, my right hon. friend's organization in the province of Nova Scotia declared that this railway would cost $130,000,000. In the election of 1904, every Conservative who asked the support of the electorate, pled with the people that they should oppose the Government because it would put an untold burden upon his constituents, and every Conservative quoted figures in dollars and cents to show just how great a burden was to be placed upon his constituents as the result of the construction of this railway. What occurred? The cost was not the issue; that question was not worrying Parliament at that time, because Parliament had before it the fact that the Intercolonial railway of Canada, running from Quebec to Sydney, had cost the people of this country $78,953 per mile, and was aware of the cost of railways in the United States and other countries. In New South Wales, railways not of this high standard cost $64,000 per mile; in Germany, $107,000; in France, $126,000; in Russia, $83,000; in Austria, $87,000. In Great Britain, with her expensively prepared road beds, the average cost is $272,000 per mile. These data were quoted in Parliament in 1903, and Parliament and the country knew that the cost of this enterprise would be very great, and they accepted that responsibility.

What position did the leader of the Government, then leader of the Opposition, take at that time? Was it cost that he was inveighing against? Not at all. He said this railway should be built from sea to sea, so that our ocean ports on the Atlantic —at the termini of this much-abused Quebec and Moncton section—should be developed, and that the lines should be owned by the Government. The slogan of the Opposition then was not cost, it was: Are we to have a Government-owned railway or a railway-owned Government? That was the question on which they went to the people. So, when these hon. gentlemen complain of being deceived about the cost, there is not a man of them who was here in 1903 but knows that he is drawing a red herring across the trail, that on the discussion of this report he is attempting to bolster up the most ridiculous document ever presented to a free Parliament; and he laughs in his sleeve when he talks of cost and argues that the estimates of 1903 were the important point. Did not the people of Canada know?

Mr. SEXSMITH: No.

Mr. MACDONALD: My hon. friend did not believe his leader if he did not know. In 1904 the people of Canada declared that they wanted a new transcontinental railway built with the object and according to the terms set forth in the contract with the Grand Trunk Pacific railway. And the Government of that day was returned. They initiated the construction of the road. Here and there, in the intervening years, we heard some discussion about the question. In 1908, the hon. member for North Toronto (Mr. Foster), now Minister of Trade and Commerce, gave his estimate of the cost of the Transcontinental. Speaking in this House, he said that the cost would be $155,000,000. The ex-Minister of Railways and Canals (Mr. Graham), speaking in this House in 1908, said that, exclusive of the cost of terminals, the construction of this railway would involve an expenditure of $114,000,000, as estimated by his engineers. The present leader of the Government (Mr. Borden) in 1908 estimated—and this was when very little had been done in the way of construction—that the cost of the road would be $161,724,185, or, adding the cost of terminals estimated at $5,000,000, the cost would be in round numbers $167,000,000. These were the statements made to Parliament by members on either side previous to the general elections of 1908. And the Government that went to the people in that year making these statements as to the cost of the railway was overwhelmingly sustained and returned to carry on the enterprise which they had inaugurated.

I have attempted to deal frankly with this question of cost, for there never was a greater bugaboo than the statements of hon. gentlemen opposite on this question. The party organs discussing the eloquent speech of my hon. friend from South Renfrew (Mr. Graham) cannot but admit its masterly character, but they say he failed to deal with the question of the cost of the enterprise. Now, I wish to meet that question squarely as proposed by my hon. friends on the other side; and I have shown that no Conservative in Parliament was deceived on this question of cost in 1903, 1904 or 1908, that all parties in this House before going to the country for confirmation of their position estimated that the cost of the railway would be from $100,000,000 to $150,000,000. But on the 30th of September, 1910, four years ago, Mr. MacPherson, now assistant to the chairman of this commission, estimated the cost of the road at $143,000,000, or $78,000 a mile. On the 10th of March, 1911, Mr. Gordon Grant, then and now chief engineer of the road, estimated the cost at $145,339,000 or $80,565 a mile, not including the cost of terminals. That is the estimate that was given when the Liberal party went out of power in 1911. When hon. gentlemen opposite came into power that course was entered upon which has led to the bringing down of this report. An estimate was prepared by the Minister of Railways (Mr. Cochrane) in February, 1912, which he submitted to Parliament, declaring that the cost of the road since they had come into power had gone up to $171,000,000, or $95,000 a mile. In other words, while Mr. Gordon Grant, the chief engineer, who has the confidence of this Government, declared under Liberal rule that the cost was going to be $145,000,000, hon. gentlemen opposite to the injury of the country, jumped the estimated cost to $171,000,000. Then after a year of their own Administration, on the 18th of April, 1913, they changed the estimated cost again, bringing it down to $161,307,800. But in that amount is included $16,000,000 for terminals and other expenditures, the amount of which has been determined solely and exclusively by this Government. So, you have the exact result as to the cost of this railway what it was placed at by the Liberal party in March, 1911, $145,000,000; for if you deduct from the $161,000,000 the

amount of money that has been spent or is being provided for by this Government in regard to terminals, $16,000,000, you have an estimate for the road of $145,000,000. The result of all this is that, with the exception of the abnormal estimate in February, 1912, the object of which is now apparent, and with the same engineer responsible for every dollar of the money that has been paid on this Transcontinental for the last six years in office to-day, you have the estimated cost as put forward by the Liberal party four years ago absolutely sustained. So, I assert without fear of contradiction, that at no time since the inception of this road, since there were given to the public estimates made by engineers dealing with this question after full examination had been made, has the expectation and asserion of the Liberal party upon this question been shown to be untrue or false in any particular, nor has it been shown that the country had been misled by one iota in regard to the matter. The Canadian people in 1903-4, in 1908 and in 1911 declared in favour of a second transcontinental railway and declared that that railway was not inaugurated one moment too soon; and I assert that there is not a man of any responsibility on the Government side who holds his seat here to-day who was prepared to go to the people in 1911 and declare that Sir Wilfrid Laurier had done wrong when he asked the people in 1904 to build this railway.

In 1908 we had the scandal election; that was the time when charges of all kinds were hurled against the Government of the day. The aftermath of the activities of that period were statements made upon irresponsible platforms and in the nondescript press throughout the country as to the enormous corruption that was going on in connection with the construction of the Transcontinental railway.

When hon. gentlemen on the other side have nothing else to talk about, they allow their imaginations to run riot, and they make absolutely irresponsible assertions in regard to this question on the platforms and in the press. When by a curious turn of fate they were given the responsibility of dealing with the affairs of this country, they tried, through the Morine commission, to make good the charges that had been hurled against the late Administration; but when Morine made his exit, when the investigation being conducted by the commission of which he was the chairman met with a sudden death, hon. gentlemen found themselves upon the horns of a dilemma. They had to invent something new along the same line; so, they said, here is the Transcontinental railway; we will proceed to appoint two commissioners about whose opinions we have absolutely no doubt. We will pick out men this time who know their business, and we will provide conditions under which they will bring in some kind of a report which we can use as political material. They disregarded altogether the effect of such a report upon the credit of the country. I am sure that many hon. gentlemen who sit opposite know, from the advice which they have received from business men in their constituencies and elsewhere throughout the country, that a great mistake has been made in connection with this report. The hon. Minister of Finance does not sleep on any easy bed these times; by every mail communications from London and elsewhere tell him of the gross error that was made by this Government in sacrificing Canada's credit in order to make good their pre-election assertions. Why did hon. gentlemen not have a parliamentary investigation if they believed that an investigation was necessary? Why did they not appoint a special committee of the House of Commons to deal with the matter, and to deal with it in the clear light of day?

My hon. friends have no confidence in themselves; and, being afraid to trust themselves to do the partisan work, they got two partisans to do it for them. Why was not a Royal Commission of judges appointed? Why did not hon. gentlemen opposite, if they believed that there was any wrongdoing in connection with this matter, select from the bench of Canada men who are absolutely free from any suspicion of partisan taint, and ask them to investigate the whole matter and bring in a report, the statements contained in which would be considered of some value? My hon. friends could not find anybody on the bench who would suit them, and they selected their own commissioners. They were hand-picked men.

At North Bay, in the constituency of my hon. friend the Minister of Railways, lived Mr. Gutelius. Born in the United States, and having been 17 years in this country, Mr. Gutelius, although occupying positions on different railways of this country, did not think enough of Canada or of British institutions to take out his naturalization papers. Well, says the Minister of Railways, I have a proposition to

make to you, Mr. Gutelius. You go on this board and investigate the Transcontinental railway construction; do the thing right, according to my taste, and when you get through I will make you general manager of the Intercolonial railway at a salary of $20,000 a year. All I want you to do is to become a British subject and prepare this report as I would like it prepared. That was a very tempting offer. My hon. friend the Solicitor General said: Why make this imputation with regard to Mr. Gutelius when the hon. ex-Minister of Railways quoted Mr. Berry? I will tell you why. There is a great deal of difference between a witness giving evidence and an alien coming into this or any other British country and working under a commission from the Crown in which he has not sufficient confidence to swear allegiance to. After Mr. Gutelius was appointed, he became naturalized and entered upon this work.

And what about Mr. Staunton? Will any hon. gentleman on the other side say that Mr. Lynch-Staunton was not a partisan? There is not a man in the province of Ontario who does not know that Mr. Lynch-Staunton has been one of the most active and aggressive Conservative partisans in the province for a long period of years. Whenever the Ontario Government wanted to obtain legal services they sent for Mr. Lynch-Staunton.

An hon. MEMBER: That was because of his ability.

Mr. MACDONALD: That may be right; I am not saying anything about Mr. Lynch-Staunton's ability; but I am saying that, the Government having intimated that they were going to have a close and rigid investigation into the circumstances connected with a certain matter, and that they were going to appoint a non-partisan and impartial body to conduct that investigation, the members of it, no matter how able they might be, should not be men who at the same time are in the pay of the Tory party.

Mr. LALOR: He is a good Irishman, too.

Mr. MACDONALD: I do not know whether he is of the same stripe as the Minister of Militia and some other hon. gentlemen opposite; of course, in the estimation of some hon. gentlemen, the question as to whether or not he is a good Irishman would depend on whether he came from the North or from the South. I am afraid a good many other gentlemen on the other side would not think very much of the Irish party of Mr. Lynch-Staunton, so far as I have any knowledge of it. But while he was conducting this alleged investigation he was in the pay of the Ontario Government. He went to Detroit in February of last year and appeared before the International Joint Waterways Commission as counsel for the province of Ontario; so that while drawing his $25,000 from this Government for his services in connection with this commission he was being well paid by the Ontario Government for the specific services which I have mentioned. Is there a man in this House, is there a man anywhere, who knows the ethics of matters of this kind, who thinks that Mr. Lynch-Staunton was an absolutely impartial gentleman who would approach the consideration of this matter with that judicial feeling which ought to be possessed by any man who undertakes to perform such an important duty for the Government of the country? Everybody knows that the suggestion of his being impartial is absurd, in view of the facts which I have stated.

These two gentlemen were selected to save the face of the Conservative party after the failure of Morine, and what they have given to this country is not a judicial finding or determination, but a political pamphlet, nothing more or less. It is no wonder that my friend Mr. Cahan, the former leader of the Conservative party in the province of Nova Scotia, and a close personal friend of the present leader of the Government, not only took the advantage of the occasion of his addressing a body of students in Montreal to denounce this tribunal, its ex parte proceedings, its methods of dealing with important public questions and its utter disregard of the rights of the public, but, being specially interviewed, sent broadcast throughout this country his disapproval, as a Conservative, of the farce that has been enacted before the Canadian people in the appointment of these men and their utilization as commissioners to investigate the construction of the National Transcontinental railway.

Mr. BURNHAM: Whom would you have appointed?

Mr. MACDONALD: I have already intimated to my hon. friend that the proper course would have been to have had at least a parliamentary investigation or, fail-

ing that, to have appointed a royal commission of judges.

Mr. BURNHAM: You admit it should have been done anyhow; that is the great point.

Mr. MACDONALD: That is very clever. I will admit this, Mr. Speaker, that the Conservative party, after the Morine episode, saw that they were in a hole, and as they had talked so much in regard to the question of the Transcontinental expenditure and corruption, it would never have done for them to have appointed judges or to have had a parliamentary investigation in the broad light of day. There was only one thing for them to do and that was to appoint these men whom they especially selected, and especially provided in advance that these men would make the report which they did, and as to that there can be no possible question.

Mr. BORDEN: I desire to say that that statement is absolutely without foundation.

Mr. MACDONALD Which statement?

Mr. BORDEN: The hon. member stated that the Government had provided in advance the character of report which these gentlemen would make.

Mr. MACDONALD: I did not say that.

Mr. BORDEN: I so understood him.

Mr. MACDONALD: I did say that this Government were in a position, that in order to save their faces they picked out two men whom they knew would make a report upon this question that would, as far as it could, save the faces of the Conservative party. That is what I said.

Mr. BORDEN: I desire to say that the Government knew nothing of the kind.

Mr. MACDONALD: My right hon. friend did not know anything of the kind?

Mr. BORDEN: No.

Mr. MACDONALD: Then my hon. friend has the audacity to suggest to this House—

Some hon. MEMBERS: Order, order.

Mr. MACDONALD: Not at all; that is within order. If I cannot say that an hon. member has the audacity, I would like to know what I can say.

Mr. SPEAKER: I have only to say that according to some very well established English rules, the word 'audacity' is hardly parliamentary.

Mr. MACDONALD: I would like to be sure as to that. You have rather developed some new rules in regard to narrowing down the rights of the Opposition to use language in regard to this Government, and I would like to have some authority. If I cannot say that this Government has audacity, I would like to know how I can discuss their acts in regard to any question. If audacity is not a quality that we are permitted to attribute to a Government whose acts we are discussing, what is it that one can say in regard to them? Nerve, temerity, or what other expression can I employ? If the leader of the Government did not know all about Mr. Gutelius and Mr. Staunton beforehand, there were other members of his Government who did know what kind of a report they were going to bring in, and I am sure my right hon. friend, whose denial I am bound to accept, can only speak for himself, because there are some other members of his Government into whose minds he cannot enter. My right hon. friend cannot question the assertion which I make, that there were members of the Government, who when Mr. Gutelius and Mr. Lynch-Staunton were appointed, knew the kind of report they would bring in and what they were going to say.

Mr. BORDEN I desire to say, as my hon. friend has appealed to me, that I do absolutely question that.

Mr. LEMIEUX: You only question it?

Mr. BORDEN: The hon. member said I could not question it.

Mr. MACDONALD: My right hon. friend is not omniscient, and his knowledge in regard to governmental matters is confined, I am sure, to matters that come within his own purview. I think he will be bound to admit that there are members of his Government who have thoughts and conceptions in regard to matters that he cannot fathom.

After all these preliminary investigations, after all these questionings, after all this bartering with the American citizen who transferred his allegiance and provided this report for a permanent salary of $20,000 a year, after all that, when you get the document, the commissioners have not the audacity or nerve to allege that there had been any corruption in regard to the construction of the railway. You can search the report from end to end to find the slightest allegation of corruption in connection

with the construction. Other things they did say. They went beyond the purview of the Order in Council appointing them to declare that my right hon. friend the Prime Minister of this country did not know what he was talking about. Where do they do that? When they declare that this line of railway from Quebec to Moncton should never have been built. My right hon. friend the Prime Minister was a strong supporter of the proposition that the line from Quebec to Moncton should be built. My right hon. friend in his own constituency, in a manifesto which he issued in newspapers throughout the province of Nova Scotia, previous to the election of 1904, declared that he was the best friend of the Maritime provinces, he wanted to build this railway from Quebec to Moncton; but he wanted to build it as a Government work.

Mr. CARVELL: He said so in St. John.

Mr. MACDONALD: So that when these commissioners undertook to say in the report, as they did say, although they were not asked to do so by the Order in Council, that:

In our opinion this section should not have been constructed at all. If one-third of the money had been expended on the Intercolonial railway it would have provided all the trunk line facilities for the province of New Brunswick which would be required for many years

They said they knew more than the Prime Minister about the matter.

Is the province of New Brunswick the only province by the sea? My right hon. friend and I come from a province which has some pride in its place in this Confederation. We have been wont to look forward in after days to a condition under which there shall come to us there, at the entrance of this Dominion—the outgoing place and the incoming place of Canada—the trade of all this country behind. A local road in New Brunswick? Is that what the Premier told the people of our province in 1904? Let me give you what he did say in Halifax on October 28, dealing with the charge that he was not the great friend of Halifax and its port and that he was not actually in favour of this Quebec-Moncton section. He said:

My friend the Minister of Finance spoke of some remarks of mine speaking at the Empire Theatre on the 7th of the month referring to the Quebec-Moncton section of the road.

If Mr. Fielding meant to state that I was opposed to the building of a shorter line between Moncton and Quebec he stated that for which he never had and has not now the slightest warrant.

[Mr. Macdonald.]

That is where my right hon. friend stood in 1904, and that is where he still stands. What was said by Mr. T. E. Kenny, an old member of this House and the first colleague of my right hon. friend. Speaking in Halifax in October, 1904, Mr. Kenny said:

We should vote for Borden and O'Mullin supporters of a party pledged to build a road across the continent as a great work with its termini on the Pacific and on the Atlantic in Canadian ports.

And how was that railway ever going to get down to Canadian ports by a shorter route if it had not been built from Quebec to Moncton? My right hon. friend issued a manifesto which appeared in the Halifax Herald of October 26, in which he said:

The Government, (that is, the Liberal Government) seeks to impose upon the people liabilities amounting to at least $150,000,000.

Just fancy these gentlemen whose souls are vexed over this question of cost.

Their leader knew what he was talking about. In 1904 he told the people of Nova Scotia that the road would cost $150,000,000 under conditions which absolutely failed to safeguard our national interest. My right hon. friend said: I am in favour of the principle of a new transcontinental railway stretching from sea to sea. I am a better friend to you than is my opponent, because I want to have a Government-owned railway, not a railway-owned Government. And yet this commission that he appointed—I do not think he really did appoint it, and I think he is ready to disclaim his responsibility for it—this commission says that that section should never have been built at all, although the reference never asked their opinion on that point. The commissioners further say:

This commission does not think that the National Transcontinental railway should have been constructed east of Lévis which was done at a cost of $35,000,000

While there may be some reason for the construction of a railway through the timber districts in the eastern portion of the province of Quebec, the construction of the railway from Edmundston to Moncton was not justifiable because of the lack of local business along this line which two years of operation has already proved.

That statement shows that the commissioners not only were reckless in their inquiry into facts, but did not know what they were talking about as regards conditions in the eastern part of the Dominion. Mr. Gutelius had nothing to do with railroading in eastern Canada previous to his appointment as commissioner. If Mr. Staunton ever came to the Maritime prov-

inces, and had a glimpse of the line extending eastward and of the seaports, I think he came down there impregnated with the narrow view which has already been expressed by some hon. gentlemen, that there should have been a railroad constructed from Cochrane to Winnipeg so that all the traffic in the winter months might come down through the province of Ontario and go on to Boston and other American ports. That would have been a nice thing for the eastern seaports of this Dominion. Splendid Canadianism that! The commissioners did not care a snap whether the terminals of the Transcontinental were in Canada or not. They were perfectly willing that all the great trade of the West in the winter months should be drained down through the province of Ontario and on to Boston and New York. These gentlemen dealt with something they had no business to deal with. They declared that the present Prime Minister did not know what he was talking about in 1904 when he declared that the eastern section should be built and that it would be a good thing for Canada. The Prime Minister stands for that to-day. He would not dare to go into Nova Scotia and say that for all the days to come we in our little province are not to share in the development of this great Hinterland; that the Transcontinental line shall not bring the trade of the West to the eastern ports of this country. Out in British Columbia to-day guarantees, assistance and subventions are given with a lavish hand, and for what purpose? To get one more transcontinental railway into that province? To get four. The Grand Trunk Pacific is already going to Prince Rupert, but the assistance of this Government and of the provincial Government is given for the purpose of getting the Canadian Northern railway to make its terminus at Port Mann. British Columbia can have four transcontinental terminals, but poor Nova Scotia is told by Messrs. Gutelius and Lynch-Staunton, who are bigger than governments and bigger than the Premier of this country, that the Government and the Prime Minister of this country do not know what they are talking about, and that Nova Scotia cannot have this railway—that the line east of Lévis should not have been constructed.

I am sure that my right hon. friend agrees with me on that phase of the report, and I think he will agree with me on another phase; that he and his Government are responsible for every dollar that was spent in connection with the construction of the Transcontinental since September 30, 1911. There can be no question about that. The exhibits furnished with this report give a statement of the cost of the road up to September 30, 1911—not money, mark you, that has been actually paid out at the time, but the amount of work done and the value of it as estimated by the engineers. Taking all this work, I find that the total amount done up to September 30, 1911, was $108,730,700. A very large proportion of that amount had not been paid out at that time. The payments were made subsequently, and a most conservative estimate would show that no more than $95,000,000 was paid out by the late Government previous to their going out of power. If the estimate made by this Government as to the cost of the road is correct, then this Government is responsible for an expenditure of at least $67,000,000. This commission takes everything that was done down to the date of the report as if the late Government was responsible for it all. Have gentlemen opposite been so very careful in regard to this matter? Take for instance the cost of grading. The amount spent for grading up to September 30, 1911, under the late Government, was $64,706,000; and taking the estimated cost of grading, which is $107,000,000, it will be seen that this Government has spent $42,359,000. This Government, its officials, and its commissioner are responsible for that payment. Not only that, but they are rseponsible for the final settlement with the contractors. They were the men who had to settle with the contractors, and if there was any improper classification, if there was any unususal expenditure in any department, the men that had to O.K. those accounts, whose certificates had to be obtained before a single dollar was paid, were the chief engineer and the present commissioner; so that for every dollar expended after September 30, 1911, this Government is entirely responsible. What was the condition of affairs at that time? Length of road, 1,804 miles; 1,866 miles of grading had been completed and 1,659 miles of track laid down; bridges were completed to the extent of 82.75 per cent.; telegraph lines had been built on 982 miles of the road; cost of the road per mile up to that date, $63,700. All that is included in the expenditure of $108,000,000, and the payment of a large portion of that amount was still held in reserve, That phase of the situation has been entirely ignored by the commission.

Mr. A. DeWITT FOSTER: Who signed the contracts?

Mr. MACDONALD: What contract are you talking about?

Mr. A. DeWITT FOSTER: All the contracts that were let.

Mr. MACDONALD: Do you not know? It does not make any difference who signed the contracts; the question of how much should be paid under the contract was a question to be determined by this Government.

Mr. A. DeWITT FOSTER: They could not determine the terms of a contract already let.

Mr. MACDONALD: Could they not? The amount that was to be spent under the contract could only be determined since 1911 by this Government and its friends.

Mr. A. DeWITT FOSTER: The report has only been in for about two weeks, and the Government could not have known two years ago what was in that report.

Mr. MACDONALD: I knew the hon. member did not know what he is talking about. What I am saying is that since 1911 Mr. Leonard, the appointee of the Government, and he alone, could determine what money was to be received by anybody. The fact is that if this railway has cost $161,000,000, at least $65,000,000 of that will have been spent entirely and solely upon the responsibility of the Conservative Government, who have been in control of that enterprise since September, 1911, and it is just as well the country should know that.

Why have these commissioners dragged in every possible item in order to make the expenditure seem large? The hon. member for St. Hyacinthe (Mr. Gauthier) very ably pointed out the injury which was being done to Canada by these misrepresentations. Why did the acting Minister of Railways want to add the cost of the Quebec bridge to the cost of the Transcontinental railway? Why did he try to make out that the Quebec bridge was part and parcel of that railway project? Why did he try to make it be believed that if it were not for the Transcontinental railway the Quebec bridge would never have been considered? I had the curiosity to look up something about the history of the Quebec bridge, and I find that the Postmaster General (Mr. Pelletier) speaking at a banquet in Quebec in 1907, declared that the Conservative party and not the Liberal party was entitled to credit for the inception of the Quebec bridge. He told his listeners that the Conservative party had promised it, and he said:

> The Quebec bridge has been promised us by important Conservatives. That promise was not kept, and that was an error. The electors should always insist upon the accomplishment of any promise made, and they should prefer that fewer promises should be made and these carried out.

Mr. MURPHY: Who said that?

Mr. MACDONALD: The Hon. Mr. Pelletier said that, speaking at a banquet given to the Prime Minister. Then Mr. Monk, the late Minister of Public Works, speaking in the Transcontinental railway debate said:

> I mention this because I have always been favourable to the Quebec bridge project, and the Conservative party, as members of this House are well aware, were committed to assist in the construction of this bridge before 1896.

Therefore, hon. gentlemen opposite, in discussing this matter, will please remember that on no less authority than the Postmaster General and the former Minister of Public Works, the Conservative party promised the construction of the Quebec bridge long before there was any thought of a transcontinental railway.

5 p.m.

Mr. GRAHAM: Seven years before.

Mr. MACDONALD: Yes. Let us look at one or two other features of this report. For the sake of carrying out the real purpose of this commission, Messrs. Gutelius and Staunton did not confine themselves to an error of half a million dollars here and there. They refer in one place to the money which was 'unnecessarily expended in building the railway east of the St. Lawrence river.' It worried these two great economists and statesmen to think that this national railway should have its termini on Canadian soil. They say that without including the section east of the St. Lawrence river, at least $40,000,000 was needlessly expended in the building of the road. I defy any man to go through this report from beginning to end, and, taking the figures set out by these two gentlemen, to find that they total up more than $28,392,000. In some cases they refer to alleged engineering mistakes, or to wooden trestles having been used instead of steel, and they give specific instances which they repeat after including their cost in the totals; but taking every possible suggestion they make, they are between nine million dollars and ten

million dollars away above anything they have given details for. They speak of $40,000,000 having been needlessly expended, when, on their own figures, it is only a little over $28,000,000; but $10,000,000 is nothing to these gentlemen when the fair name of Canada is to be defamed for party purposes. Let me give another illustration of this. They say in this report that the classification prescribed in the contracts was ignored, and that the contractors were overpaid $3,300,000 on improper classification. But, taking the very figures they themselves give, their computation is $37,082 too much.

Whenever they speak of the Transcona shops they say that they are entirely too big; that only half the money need have been spent on them, and they always refer to them as having cost $4,500,000. But take the estimate of Mr. Grant, the chief engineer, as to the cost of construction, which you will find in these very exhibits, and his last statement shows that the cost of these Transcona shops would be $4,238,000, and not $4,500,000, so that these commissioners are $260,000 wrong there. Then, with regard to the Winnipeg terminals, you find that according to the engineers' statement of the cost up to date, these commissioners are $1,642,000 too high. All through, this report is grossly misleading. Why should these two gentlemen proclaim to the world that $40,000,000 might have been saved, when, after all, their star chamber investigation, after all their ex parte dealing with witnesses, browbeating them and distorting and misrepresenting the facts, the total amount they could gather together by the grossest exaggeration was only $30,000,000. But, when they wanted to carry out their object and to defame the country, $10,000,000 is a bagatelle to them. These gentlemen state that the alleged engineering mistakes on this railway cost the country $9,945,000, and it does seem to me that in regard to this question of engineering mistakes, hon. gentlemen opposite have, wittingly or unwittingly, misled the public mind to a very great degree. The suggestion is made that the commission were the people who decided what ought to be paid to a contractor. As a matter of fact, the commission had nothing to do with the matter, except to pay the amount certified by the chief engineer. This is what the statute says upon the subject. I am reading from chapter 71, section 18:

> No money shall be paid to any contractor until the chief engineer has certified that the work for or on account of which it is claimed has been duly executed and that such money is due and payable, nor until such certificate has been approved by the commissioners.

Therefore, before any contractor on the Transcontinental railway could be paid for assembled rock or for solid rock, he had first to have a valuation made by the resident or district engineer. Their reports would have to go to the chief engineer, who was responsible for the ultimate determination as to how much was to be paid. The chief engineer would send the account to the commissioners, who had nothing whatever to do with the classification except to certify the account. There is not in this House an hon. gentleman of the legal profession who, after reading that section, would dare to assert that, unless the chief engineer of the commission wrongfully and knowingly certified to a wrong amount, it would be possible for the commission to pay a single dollar improperly to any contractor. What were the other conditions? While this railway was being constructed in this northern land, from Cochrane east to Moncton, west to Winnipeg, resident engineers and district engineers were on the ground. These men were all young Canadians, many of them fresh from college, on the threshold of life, ambitious to succeed, knowing that unless honesty and integrity were the qualities they possessed, they could never come to the front in their profession. The district engineers and the resident engineers, who saw every ton of stone blasted and every shovelful of earth removed, were the men who could determine whether an excavation should be classified as loose earth, as common rock, or as solid rock. These were the men who sent the reports to Ottawa. Unless this House is prepared to believe that not merely the district engineers and the resident engineers but every chainman, every rodman, and every transit man, who saw what kind of material was coming out and who knew whether it should be classified as solid rock or as common excavation, were criminals, then there is not the slightest justification for this huge item of $9,000,000. Hon. gentlemen, for party purposes and in the heat of party argument will make suggestions against the Government of the day and hold it responsible for things, for which perhaps on examintion they will find no justification for their assertions. Any hon. gentleman who approaches this question of classification with a fair mind knows that the men who were on the work would know

whether or not there was wrongdoing. If he is prepared to say that these men were criminals, then I am sorry for him because I do not believe they were. Not only would they need to be criminals, but the chief engineer himself would need to be a criminal. He has been in that position for the last five years. Hon. gentlemen opposite must have confidence in him or they would not continue him in this position. He has certified to every dollar that has gone out of the public treasury of this country for the construction of this railway since the autumn of 1909. Hon. gentlemen know that that statement is absolutely true and cannot be controverted. The chief engineer for two years previous to the Liberal party going out of power certified to every dollar paid to any contractor or to any man for work done on the Transcontinental railway. Yet my hon. friends opposite let loose their dogs of war; they assert throughout this country that $9,000,000 were taken wrongfully out of the public treasury by this public servant, whom they recognize as being competent and honest and whom they continue in office until this very day certifying to every dollar that is paid out. Was ever a more grotesque position presented to the people of any country than the one held by hon. gentlemen opposite in regard to this matter?

Who appointed the subordinates? It is on record in the public documents of this country that every man appointed under the regime of Mr. Lumsden was recommended by him. Every man appointed since Mr. Grant became chief engineer was recommended by Mr. Grant. These men had toiled in the northern wilds; they had been engaged in this pioneering and preliminary work and had done their duty. They had received the ratification of the Government of the day previous to 1911 and the ratification of this Government every day and every hour through the chief engineer. Then Mr. Gutelius goes out and inspects the work. He looks at a cut and says: Why, the man that was here when this cut was made does not know anything about it. It is true that the stone that was blasted and the earth that was removed are now lying in an embankment perhaps hundreds of feet away; but I am Mr. Gutelius; I know more about it than the man who was here, or than Mr. Collingwood Schreiber or Mr. Kelliher or Mr. Woods or Mr. Gordon Grant. I know more about it than they do, although they went over all this territory and looked at every bit of excavation where any exception was taken to the classification. They formed their opinions, they certified to every dollar; they paid the money. I know more, says Mr. Gutelius, than all these gentlemen do, although I am only coming here four or five years after the line has been built and when trains are running over it. After the snows of the winter have come and melted away in the spring and after all the changes that come with nature's changes have come and gone, still this great man, Mr. Gutelius, knows more than all these people. Of course Mr. Lynch-Staunton does not know anything about engineering; he does not pretend to do so. Mr. Gutelius, I am told, knows something about engineering. He comes before the Canadian people and says: Although all these men were toiling and working on that railroad, I know more about it than they do, though I never saw the material, and in regard to high classification, ploughable clay and overbreak, he said these men had allowed $3,362,000 too much and a lot of items peculiarly within the knowledge of the engineer constructing the road should be entirely wiped out. Then he totals up all the alleged mistakes of these men who have been working on that railway for seven long years having everything certified to by responsible men and particularly by the chief engineer, whom the Premier of this country continued in office, and whom he proclaimed to the world as an honest man. The people of Canada are asked to believe this Mr. Gutelius who says that he has examined the work and that $9,000,000 might have been saved by these men. After all that, the people of Canada are asked to believe this grotesque proposition —that this man, Gutelius, could blow into this country after all this was over and proceed to tell where $9,000,000 might have been saved. I say this proposition is so ridiculous that all that is necessary is to let the clear light of day shine upon it in order that we may understand it.

Now, Mr. Grant went over this question before. Mr. Grant was the arbitrator to determine these things. And this is what he says as to the value of the examination that could be made of a cut from which material had been taken. I quote from the evidence in the Lumsden investigation—Appendix to the Journals of the House of Commons, volumn xlv, page 535:

Q. You told us, Mr. Grant, that even with very experienced engineers making a very cursory and very superficial examination of cuts, such an examination as Mr. Lumsden has described to us as made by the arbitrators in the first arbitration, would be insufficient to form

any opinion that would be at all reliable?—A. Oh, I don't think any engineer unacquainted with the work can go into those cuts now and they have been done for two or three years and form a judgment without considering very carefully what he is doing, and questioning the engineer who is on the ground, and getting all the information from him that is possible and also examining the material in the fill that came out of that cut, because when you go in a cut you see the sides, you don't see the material that is taken out of it.

The effect of that answer is to show that the men who came along inspecting in after days would have to get back to the engineer who was there when the work was done. So, the question was naturally asked Mr. Grant:

Q. While acting as assistant district engineer or as inspecting engineer or as chief engineer, did you ever acquire any knowledge that would lead you to suspect the good faith of any of the engineers classifying?—A. I did not.

Q. There may have been some errors of judgment, but you are satisfied that there was no bad faith on the part of the engineers classifying?—A. I am perfectly satisfied. The proof of that is that the same men are on the line to-day, and if I suspected them of bad faith they would not be there.

In face of that testimony of the gentleman whom this Government hold out to the people as the responsible man who is to carry on this construction, of what use is it of Mr. Gutelius and Mr. Lynch-Staunton to come here with this party report, this political pamphlet, intended to misrepresent the political history of this country?

Another point in this connection should be noted. We have heard a good deal about classification. Hon. gentlemen have talked a good deal about that and have told us just where this country was losing three or four million dollars. Who ever heard of 'assembled rock'?—they ask. But Mr. Gordon Grant said that there were to be found in the Laurentian range, two particular districts, F and B, in which this material was to be found, which could only be described as 'assembled rock' and must be classified accordingly. I will just give Mr. Grant's evidence. I may say, we have heard a good deal about the McArthur contract. Having had the opportunity to go from Fort William to Winnipeg over this line, it seems to me that if hon. gentlemen opposite had wished to arrive at a fair conclusion in regard of this matter some of them at least would have taken a trip over that part of the road. There they will find conditions which involve railway work of the heaviest kind to be found anywhere in Canada except in the Rocky mountains.

Mr. GRAHAM: Not even excepting the Rocky mountains.

Mr. MACDONALD: Yes, the heaviest kind of work. Here is Mr. Gordon Grant's evidence, page 534:

Now on the McArthur contract—if you do not know of course you will tell us so—can you give us an idea of the proportion of ledge rock and of assembled rock—A. Well, so far as I am concerned, this question of over-classification to me is a tempest in a teapot, and to illustrate that let me take the McArthur contract: there have been 15,200,000 yards of material moved on that contract.

Q. 15,200,000?—A. Somewhere about that. About 6,300,000 yards of solid rock. Now, about 350,000 yards of that is assembled rock and no more. Therefore if the whole mass were disputed, which would be absurd, you would not have much to kick about.

Q. Out of 6,300,000 yards of rock there is only how much of assembled rock?—A. About 350,000 yards.

Q. About 350,000 yards?—A. That is all they can dispute.

Q. And there is no dispute about the rest of the rock? The only dispute is about assembled rock?—A. So if you turned the whole thing into loose rock, which I say would be absurd, on the face of it, you would not have more than 300,000 yards to kick about.

Here is the duly accredited chief engineer of the Transcontinental Commission recognized by this Government and held up to the Canadian people as responsible for every dollar spent on that line—and to be there, I suspect, until it goes into operation—who declares that this whole question of over-classification, which is being made the basis of misrepresentation in this report, is nothing but a tempest in a teapot.

An hon. MEMBER: Oh, oh.

Mr. MACDONALD: Of course, my hon. friend knows more about it than Mr. Grant does. Now, let me quote from page 547, with regard to this question of assembled rock:

Q. Now, where you have found assembled rock, as I understand on district B there were very large quantities of assembled rock, and that assembled rock is taken out would it be feasible to put that with a slope similar to ledge rock when that is removed? A. No, it would not; it would not be safe to do so, because assembled rock as you know consists largely of boulders, and that material won't stand up for any length of time on a slope of ¼ to 1. It will for a certain time, but it is not safe. Therefore for the sake of safety all slopes on assembled rock cuts had to be flattened out to 1, and in many cases to 1½ to 1, which of course increased the quantities to a very much greater amount than was estimated.

Q. I suppose wherever this assembled rock existed, the portion outside the theoretical slope for ledge rock would probably be greater

than that within the slopes, wouldn't it? A. Yes, in the case of 1½ to 1 slope it would practically double the quantity.

Q. Could that have been foreseen in any way, Mr. Grant? A. No, it could not.

Q. Is there any fault to be attributed to anybody in connection with it? A. None whatever.

Now, I referred a short time ago to the fact that $60,000,000 of the cost of this Transcontinental railway lies at the door of hon. gentlemen opposite. If they wanted to economize, if they wanted to reduce this amount of expenditure, the estimate of which they have given to the country, the power is with them. One would think, to hear them talk, that the Liberal party were still in power controlling the construction of the Transcontinental. But it is two years and a half since the Liberal party went out of office and their responsibility ceases. Hon. gentlemen opposite, through their officials, are the men who have to certify the payments for contractors. Not only must Mr. Grant certify, but their specially appointed commissioner, Mr. Leonard, who does not seem to please the Winnipeg Telegram, but who has the confidence of the members of the Government, and who is supposed to be especially the watchdog of the treasury in this matter, must certify to everything. We have heard a great deal of the McArthur contract. I was surprised, on looking over the Auditor General's Report, to find that this Government was paying out money with a liberal hand. In the financial year ending March 31, 1913, they had paid out, largely to contractors, $13,766,000. When they came into office, and so became responsible for this work, they were in this position:

They found that a large measure of security had been provided by the wise forethought of the men who were dealing with the matter when the Liberal party was in power. The final estimates had all been passed, every dollar of security was in the hands of hon. gentlemen opposite. This is the statement of Mr. Grant on page 539 of the report of the special committee:

Q. Well, in the matter of both over-classification and overbreak, I want to come back now to the position of the Transcontinental Commissioners. No final estimates have gone out with respect to any of this work in which there is in your opinion some over-classification and some access of overbreak allowed. There are no final estimates gone out at all?—A. There are no final estimates gone out at all.

Q. It is all subject to revision and correction?—A. Yes.

Q. Now, the Transcontinental commissioners have certain securities and guarantees. What do these guarantees consist of?—A. Practically speaking, about three times as much money as there is in dispute on any contract.

Q. So that taking the extreme view of all the classification, and of all the overbreak that is said to be allowed in excess of what ought to be allowed, the commission to-day has absolute security in cash?—A. For double the amount.

Q. For double the moment anyway?—A. Yes.

Q. And then in addition they have all the plant as security?—A. Yes.

So that when hon. gentlemen came into power they had the whole matter in their own hands. If there was over-classification; if any one of the hon. gentlemen on the other side who talked so loudly in the House and out of the House previous to September 30, 1911, knew that any contractor had obtained money improperly, he and his party could have seen that the country got it back. Have we heard of anything of that kind? No; hon. gentlemen have gone along paying out money to M. P. and J. T. Davis—the gentlemen whose names have been bandied about in this House during the last ten days by hon. gentlemen on the other side. Last year this Government paid to M. P. and J. T. Davis upon contracts 7, 8 and 9 something like $869,000.

Then there was Mr. Fauquier. Our friend the Solicitor General the other night, when the hon. member for Welland (Mr. German) was speaking, referred to what Mr. Fauquier had said about mass. For curiosity—and I may say that I am going to watch the Solicitor General very closely in future when he quotes evidence—I referred to the evidence of Mr. Fauquier, and I found not the slightest suggestion of any kind to warrant the assertion of the Solicitor General in that regard. In fact, Mr. Fauquier told the commission that if they wanted to find out all about this matter, they should subpoena his brother, who had the documents and all the information in his office. But they did not subpoena his brother, and his evidence was not obtained. To Mr. Fauquier hon. gentlemen opposite paid out, down to March, 1913, $529,000; in fact, reference to the Auditor General's Report will show that hon. gentlemen opposite went on paying money to these contractors every day from the time they came into power, without questioning the payments in any way whatever. It was a case of the responsibility of the Administration on the one hand and the exercise of political claptrap on the other; hon. gentlemen went on paying money to these contractors without attempting for one moment to stand by their political claptrap game wherein they

alleged that the country should be protected in regard to this matter.

Mr. SPEAKER: It is not permissible to apply the words 'political claptrap' to hon. members of the House.

Mr. MACDONALD: I have spoken in a general way about the Conservative party throughout the country who are playing a political claptrap game with regard to this matter. I think I can make that assertion.

Mr. SPEAKER: If the words were applied to anything which took place outside this House, they would not be unparliamentary, but it is not permissible to apply them to members of the House.

Mr. MACDONALD: I spoke of the Conservative party applying the claptrap game as a whole on the one hand, and of the responsibility of these gentlemen holding the reins of power, on the other. These gentlemen, who had to see to it that the Administration of this country was carried on, holding in their hands security for double the amount of any sum that is alleged to have been misspent, went on paying these contractors without protest, on the certificate of the chief engineer of the road. Further than that, they paid to one contractor more than the amount provided for by the award of the arbitrators. They do this on the one hand, and on the other hand they carry out this political claptrap business of talking about the country losing $40,000,000 in the construction of this road.

I want to make another citation with regard to the question of grades and the statement made by the chief engineer, Mr. Grant. He was asked the advantage of building the road up to a high standard, to which he replied that it would be a paying proposition, while the adoption of the lower standard would result in a loss, and a failure to earn the expense of running the road. I need not go into this question in detail; the hon. ex-Minister of Railways went into it at great length, and I would be taking up time unnecessarily if I were to make further reference to it.

Let us analyse some of the other assertions made by these gentlemen, in order to see how anxious they were to find some grounds for alleging over-expenditure. They said there was no necessity for building engine houses so permanently; that had cheaper engine houses been built, the country could have saved $800,000. With that divine inspiration which they assume in dealing with this whole question, they say that only four station houses were needed in the whole of that northern country between Moncton and Quebec. This terrible Railway Commission, the report alleges, had the temerity to build sixteen stations, and because they did so, the country lost $204,000. What does Mr. Lynch-Staunton know about freight sheds and station houses? What does he know about how many station houses should be constructed in that northern country, or what kind of freight sheds should be built? Yet he has the unction to sign his name to a report which tells the country that $300,000 would have been saved if cheaper freight sheds had been built. Here is another amusing thing. Eighty-pound rails were used in the construction of the road. There is no reason why our friends opposite, if they were sincere in their desire to be true accountants and wanted to do what they talked about when they had no responsibility, should not have ordered that 65-pound instead of 80-pound rails should be used in the remainder of the road. But they did not do so; they went on laying the 80-pound rails; yet they charge this terrible Railway Commission with being extravagant in using 80-pound rails in the sidings, whereas if they had used only 65-pound rails the country would have been saved $340,000.

And so the game goes on. Then these gentlemen, who were in possession of all the wisdom that ever was heard of in regard to railway construction, said: Why, what was the necessity of double-tracking certain pieces of road up there? This commission appointed by the Liberal party had the temerity actually to double-track six miles; they thought it was in the public interest to do so; but they did not know anything about it; we know all about it, they should not have double-tracked that six miles, and so would have saved the country $679,000. And so they go on along these lines, and after they have strained every possible suggestion, gone into every ridiculous hole and corner, drummed up every suggestion of a fault that could be found, they arrive at the end of their labours without being able to allege that there was any corruption on the part of anybody connected with the road, and they have to misrepresent the total of the alleged errors which they find, to the extent of $10,000,000, in order to have a good round figure to talk about in the country. Who is responsible for this report now that has been laid before Parliament by this Govern-

ment? This Government are responsible for it, they are responsible for the statements made in it, and, notwithstanding the fact that they have retained in office Mr. Gordon Grant for the last two and a half years, and are responsible for everything that has gone on in the meantime, they actually permit the statement to go to the country without any discrimination being made in it between the expenditures made under their regime and under ours; absolutely suppressing the fact that our responsibility ceased two and a half years ago, they allowed the impression to go to the country that $40,000,000 has been over-expended, while they retained Mr. Gordon Grant in office, he being responsible for every dollar spent since 1909. What are the Government going to do about that? They have gone on paying this money, the final estimates to these contractors, who, it is alleged, had their work over-classified. What are they going to do about it? Was this report brought before this House for purely political purposes, or is it a serious public document? It is up to the Premier of this country to assume some responsibility in connection with the matter. If there is any man connected with this enterprise who is guilty of any wrong-doing, it is up to the Prime Minister of this country and the Minister of Railways to see that he is dealt with. Let us have in this country an end of all this bantering and talking about political corruption if, when the time comes and hon. gentlemen have the thing under their own control, they simply sit mute and proceed to hire people to fire mud at their opponents. That is the way that this thing stands to-day before the Canadian people. One will watch with a good deal of interest the way in which this matter will progress. It is true that the Government will, after a while, say: We see that there was no evidence of corruption, therefore it is not necessary that we should proceed against anybody; but we do think there was over-expenditure. Let us take them on either horn of the dilemma. If there was corruption this commission has not found it, so that can be laid aside. If there was over-expenditure, the gentleman who had to certify for every dollar of that expenditure since 1909, a man who I personally believe is an honest, able man, is still in the service of the Government. Do not let my right hon. friend, do not let his supporters, do not let this country forget that practically every contractor on the National Transcontinental railway had his account open when this party came into power. Their security was in the hands of the Government. It lay with the party now in power, its commissioner, its chief engineers, to remedy any wrong that might have been committed. So far they have not done so, and we will watch and see what they will do in the future in this respect.

So much for the merits of the report. I think every hon. gentleman who approaches the consideration of this matter with some degree of fairness will realize that no weaker document ever came before this Parliament. Of course the authors were, to a certain extent, irresponsible. In times gone by, when governments dealt with serious situations which they alleged existed, they at least asked the men to whom they committed the task of investigation to take an oath that they would do so honestly and fairly. In this particular case the Government told Messrs. Gutelius and Lynch-Staunton: We do not want you to take any oath, we do not ask you to do so; you go out, do what you please, you are not bound by any oath, you are not asked to render a verdict according to the facts; you are not sworn as any common juryman is sworn to try the most picayune case in any inferior court in this country would be sworn; you gentlemen are asked perhaps to discredit the fair name of many a man engaged in the engineering profession in this country, who, as a result of your actions, may suffer untold injury, as the fair name of Canada has suffered financially in the markets of the world; we do not ask you to pledge your oath. This irresponsible document of this irresponsible commission is a slander upon Canada's credit and nothing else. Any man in Canada to-day who has knowledge of industrial conditions knows that men who have gone to the English money market lately, whether on behalf of municipalities, provinces or corporations, have met with rebuff from the banking and financial people of the mother country, who had been led to believe, by the specially prepared slanders sent across there, that Canada had squandered $40,000,000 in building a transcontinental railway. Last week I happened to be in New York on some business. I met a German banker who had just returned from the old country. He asked me: What is this transcontinental report? I returned only last

week from London, and while there I found that everybody connected with finance in that country was saying that it was one of the worst things that had happened for Canadian financial affairs for the last twenty years; what does it all mean? I said: It simply means a political document got up by one political party to attempt to injure the other. And I said further: After a while the business men over in London will find that out, and will appreciate how little significance should be attached to it. In the meantime the Finance Minister of this country knows that he has heard of it from every quarter, heard of it from across the ocean and from the business men of Canada. I think he is sorry that this document was ever sent forth. Do you not think it is about time in Canada that we should look to this Government, who came here asserting through its leader that it possessed the highest kind of ideals, for some better tone in public life than is shown by the production of this particular report. My right hon. friend, in 1904 and 1907, asserted that he stood for a Government-owned railway, and protested against a railway-owned Government. What has my right hon. friend done about Government-owned railways since that time? He told us he was going to run the Intercolonial by a non-partisan commission. He has been two years in power; he has destroyed the commission, he has allowed his Minister of Railways to make the arrangement with Mr. Gutelius under which this report was produced, and he has sent Mr. Gutelius down there not as a non-partisan commissioner, but as the manager of this political railway. And what is he doing about the Transcontinental? Speaking at Windsor in 1904, he said that when he came to power his policy would be to take over this railway and run it as a Government enterprise from one ocean to the other. My right hon. friend has not shown much alacrity in regard to that matter. What has this Government done in the last two and a half years—absolutely marked time, initiated nothing, and proposed nothing for the upbuilding of this country. Practically coincident with my right hon. friend's assuming the reins of office there began to be displayed all over this land a lack of confidence in the business and public affairs of this country. That feeling synchronized with the advent to power of my right hon. friend. As a result of Conservative Administration for the last two and a half years, there has been a period of depression in this country which is getting worse every day. As a result of the incompetence of these hon. gentlemen and of their inability to propose anything for the good of Canada, a feeling of gloom has settled down upon this country, and why? Canada has not the right man at the helm. After fifteen years of Liberal rule they found an overflowing treasury when they came to office, and the public credit of Canada at a higher point than it had ever reached before. Hon. gentlemen opposite immediately proceeded to deal with these resources, not in the interest of Canada, not in accomplishing the good that as Canadians we might expect, but prostituted them for petty party purposes.

Some hon. MEMBERS: Oh, oh.

Mr. MACDONALD: My hon. friends do not think that is true. I would like some hon. gentleman on the other side to say what this Government ever did for the good of Canada.

Mr. W. H. BENNETT: They have made you very tired.

Mr. MACDONALD: My hon. friend from Simcoe has been as peaceful as a lamb since he sat on that side of the House. We never hear his sweet voice now, as we used to hear it when he was in opposition.

Mr. W. H. BENNETT: No need to now.

Mr. MACDONALD: I can assure my hon. friend that I find myself in the best of health and am not a bit tired. I repeat, after two and a half years of Conservative rule my right hon. friend is still living in the past. All he can think of is some of the old stories he used to retail in 1908, some figments of the imagination like the yarns about the Transcontinental. He has created commissions to bring in reports which injure Canada at home and defame her abroad. The action of my hon. friend the ex-Minister of Railways (Mr. Graham) in asking this House to declare that this report is one which should be absolutely condemned as untrue and as misrepresenting the facts is one which should receive the honest consideration of every hon. gentleman in this House. There is one consolation about this matter which the people of Canada are beginning to find out and are becoming more certain of day by day, and that is that the report has no basis in fact and is purely the result of partisanship, written by partisans and written for

a party. The one result of this report will be to hurt Canada in other portions of the world where the facts are not understood as they are here. Everybody here will soon know how little weight should be attached to this report, and I hope that every hon. gentleman in this House will do his duty to Canada by supporting the motion of my hon. friend the ex-Minister of Railways.

Mr. GEO. W. FOWLER (Kings and Albert): Mr. Speaker, the hon. gentleman who has just taken his seat (Mr. E. M. Macdonald) has followed the custom of the old-time lawyer who, when he had a really bad case, used to abuse the other side. Almost the whole of the hon. gentleman's speech was made up of abuse. He criticised gentlemen on this side of the House because they appointed a commission to lay before the people of Canada—whose trustee this Government is—the exact condition of affairs with regard to the Transcontinental railway and the tremendous expenditure of money connected therewith. That was a duty which this Government owed to the people of this country, a duty which they have well and nobly performed. My hon. friend from Pictou (Mr. E. M. Macdonald) says that this is a cheap report, that it is no good, and yet the ex-Minister of Railways spent seven hours in attempting to answer this cheap report, made by a partisan lawyer and a Yankee engineer of no account whatever according to the hon. member for Pictou. Let me say that in all the history of Canada there has never been a state paper submitted to Parliament higher in character than the report of Messrs. Staunton and Gutelius. It is clear and concise, moderate in its tone—

Some hon. MEMBERS: Oh, oh.

Mr. FOWLER:—yes, and temperate in every way, showing absolutely no trace whatever of partisanship. It is strong, of course. Why? Because the evidence on which it is based, is strong. Would you expect a watery namby-pamby report with such evidence as the commissioners had before them on which to base their conclusions? No. If they had been commissioners like the late Government would have appointed, then we might have expected a milk-and-water report, but they were not that class of men. They gave a report which is clear and concise, which covers the whole ground and there is not a word or a line of that report that is not based on strong and conclusive evidence. And they published the evidence with the report. My hon. friend who has just taken his seat was not as eloquent in his peroration as he usually is. He had such a bad case that he laboured very hard. I recognize the fact which every man in this House must recognize that we have no more eloquent speaker in this House than the hon. member for Pictou. When he has a good case it is a delight to listen to him, but I felt sorry and pained for the hon. gentleman when I saw him labouring so hard with his case.

I could have understood some other Liberal members of this House talking blue ruin, but I thought the member for Pictou was more up-to-date. I thought he was more patriotic; I thought he had a greater regard for the welfare of Canada than to be guilty of such preaching. Has the gloom of adversity; have the cold shades of opposition, so chilled the heart of the member for Pictou that he imagines the gloom which possesses his soul, pervades the whole of Canada. I can understand that the hon. gentleman feels badly at being in opposition, because he was assured by his leader that were the Liberals returned to power in 1911 he would be one of the elect. The right hon. the leader of the Opposition will not deny, that while my hon. friend from Pictou may not have been so assured in words, he was given good reason to believe that if the elections of September, 1911, had turned out differently, he would have been taken into the Administration and had the word 'honourable' prefixed to his name. And, Sir, my hon. friend from Pictou apparently imagines now that because his own soul is chilled with disappointment, and filled with deep and abiding gloom, his condition is that of all Canadians. The hon. gentleman need not worry about that.

The hon. gentleman speaks of browbeating witnesses, and he tells us that the National Transcontinental Railway Commissioners were brought before these commissioners and browbeaten. Can you imagine Simon Napoleon Parent being browbeaten by anybody? The hon. member (Mr. Macdonald) has a very vivid imagination, but it cannot reach far enough to encompass such an idea as that. Then, there was Michael Patrick Davis, the contractor; do you imagine that a man with the brazen brow of Michael Patrick Davis could be browbeaten by a little chap like Gutelius? Such an idea is absurd. Then Mr. O'Brien was upon the stand, Mr. O'Brien the great contractor; Michael J. O'Brien. I do not know what

the 'J' stands for, but you can call it Jeremiah if you like, and the title Jeremiah would probably fit him, because now he is in the slough of lamentations, without any friends that are any good to him. His friend was the ex-Minister of Railways. There is one thing about Mr. M. J. O'Brien that I admire, and I admire it very greatly —he understands what gratitude means. There were many contractors who reaped fortunes when hon. gentlemen opposite were in power, but they have not all shown their gratitude in the splendid way in which Mr. M. J. O'Brien did, on one occasion, in South Renfrew.

At six o'clock, the House took recess.

The House resumed at eight oclock.

Mr. FOWLER: When the House rose at six o'clock, I was referring to some of the remarks made by the hon. member for Pictou (Mr. Macdonald). One statement made by him was that no one was deceived as to the cost of this railway. I do not know what the hon. member means by that statement, because it contains a serious reflection upon his leader, the ex-Premier of this country, who stated that, not the total cost but the total burden of cost, would be $13,000,000. I had the honour of being a member of this House at the time when the right hon. the present leader of the Opposition introduced the National Transcontinental Bill, and I heard him make that statement. Will the total burden of cost of this railway upon the people of this country be only $13,000,000? It will be many times that sum; yet the hon. member from Pictou says that no one was deceived. Was it because no one believed the right hon. gentleman? Is his reputation for veracity and for business ability such that, when he makes a business statement to this House and to this country, the people do not take it at its face value? I cannot read any other meaning than that into the statement of the hon. member for Pictou. We were told by the hon. the then Minister of Finance that, not the total burden of cost but the total cost of this railway from Winnipeg to Moncton, built up to the standard of 0.4 per cent and 0.6 per cent grades, would be $61,000,000. Did the people believe that statement? According to the views of my hon. friend the member for Pictou, they could not have believed that statement, because he says: No one was deceived. When you add the interest to the cost of construction, which is the cost to the people of this country, you will find that the cost will be more than four times the estimate given by the then Minister of Finance; but my hon. friend the member for Pictou says that no one was deceived with regard to the cost of this railway.

He says that the present Government is responsible for every dollar expended upon this road from that memorable 21st day of September, 1911, a black-letter day in the record of my hon. friends opposite. The hon. gentleman must think he is talking to an unintelligent public. The people of Canada are too intelligent to swallow any such stuff as that presented to them by the hon. member for Pictou. If your honour had not decided that the words 'political claptrap' were not proper in this House, I could find no words more suitable to characterize this statement of my hon. friend's; but as you have already given that decision, I forbear making the statement.

Every contract for the construction of this railway was let before the 21st of September, 1911. Contracts that need not have been let until perhaps even now were let before the election of 1911. In case anything happened my hon. friends opposite wanted their friends to have the pickings. Every contract was let and they were specification contracts and the price was set opposite every item in the specification. There were instances where such things as this occurred. On items for which the contractor was to get $17 per cubic yard for concrete work, he sublet the work for $7 a cubic yard, making a rake-off of $10 without doing a stroke of work. Could the new commissioners do anything in regard to it? They were absolutely powerless; they could not repudiate the contract solemnly entered into by their predecessors in office. That is why the money was expended since the coming in of the present Government and the appointment of the new commissioners. It was not the fault of the contractors that they were receiving these huge sums. There was no fraud so far as the contractors were concerned. The fault and the fraud, if there be fraud—and if there was not fraud there was the grossest ignorance and incompetence and my hon. friends can take whichever horn of the dilemma they choose—and the incompetence and ignorance lie at the door of the commissioners appointed by the late Government.

My hon. friend the member for Pictou, who I regret is not in his seat at present, tried to make out that we were opposed to the building of the Quebec bridge. The Con-

servative party were not at any time opposed to that project, but we were strongly opposed to the manner in which the Quebec bridge was built, and I will have something to say about that a little later on.

With regard to the contract let to Messrs. Fauquier Bros. and the yardage of moss, my hon. friend the member for Pictou was again trying to draw a herring across the trail. The fault there was not with Messrs. Fauquier Bros.; it was perfectly natural that they should try to take any advantage they could from the knowledge that they had gained from an examination of the premises. The fault in the letting of that contract lay with the commissioners, advised by the engineers, who had altogether mistaken the quantity of moss. Messrs. Fauquier Bros. had gone over the ground and saw that the amount of moss was very small, and in consequence of that their tender, though actually the highest, was accepted. The fault lay with the commissioners in not acquainting themselves, as they should have done, with the character of the country through which the railway was to run.

I think I have completely covered every alleged point made by the hon. member for Pictou, although I have not occupied more than twenty minutes in doing so. When we come to consider this question and this report, the first point we should consider is, who are the men who made this report. An attempt has been made by hon. gentlemen opposite to belittle the character of these men, an attempt which must fail ignominiously, particularly wherever these men are known. Mr. George Lynch-Staunton is one of the leading lawyers in the province of Ontario, the premier province of this Confederation. He is a man of high attainments, of high character, and there is nothing in that report which will put a smirch upon the high character of Mr. George Lynch-Staunton. There is not a line in that report that is not backed up to the full by the evidence published with it. Has there been by one hon. gentleman opposite an attack upon the evidence contained in that report? Not one. Have they shown that any conclusions drawn there were not fairly drawn from the evidence submitted? I challenge hon. gentlemen who are to speak after me in this debate to show one solitary instance in which the conclusions drawn in the report is not supported by the evidence.

Who was the other member of this commission? My hon. friend from Pictou (Mr. Macdonald) says they should have been judges. Judges would have known a lot about such a work as the Transcontinental railway! A better choice could not have been made than was made,—a lawyer of high standing, acquainted with large business matters, with great practical experience as a business man as well as a lawyer; and an engineer of long experience, of splendid talents and ability and high character, one who knew what he was talking about and was not afraid to talk about it, either. But,—he was born in the United States! An awful thing! Why, these Liberals boast of the number of people brought from the United States while they were in power. They say their immigration policy brought many settlers to Canada from the United States. But, now according to these gentlemen, it is a crime to be born in the United States. Of course, it is much better for a man to be born in Canada than in the United States; but after all no man can say where he shall be born. He may have something to do with where he shall die, but the place of his birth is not within his option. Therefore, I say, it was only a misfortune, not a fault, in Mr. Gutelius that he was born in the United States. But, Sir, when he had reached years of manhood, years of discretion, he crossed the line and came into Canada. The greater portion of his experience as an engineer was gained in Canada, gained in a country of the same conditions that obtained on the line of the Transcontinental. Who so well fitted to make a report upon that road and the manner in which it was built as the man who was familiar with all the conditions of that country? Mr. Gutelius not only came over to this country, but unlike most of the people connected with the Grand Trunk Pacific he cast in his lot with us and joined our citizenship. Is not he just as good a Canadian, having joined us two or three years ago, as if he had joined us fifteen years ago? And that is the only fault that hon. gentlemen opposite can find with him—that he was naturalized a British subject only a couple of years ago.

What about the composition of the commission that had charge of the building of this road? There was not an engineer among them. One was a paper-box manufacturer, one was a lawyer, one was a financier, and the other was a grain dealer. It is no detriment to any man to follow any of these occupations; no reason why a man following any of these occu-

pations should not be a good business man and a capable member of this commission.. That is the ground I take; there is nothing in their occupation to prevent them from serving on this commission, but there is nothing in their occupation to particularly qualify them for such service. Therefore, what we should look at is results. And what are the results? Did these men show good business ability? Were they efficient for the work they had to perform? I think the results show that they were inefficient, or ignorant, or else guilty of fraud and corruption. The very first thing they did when they opened an office in the city of Ottawa was, in effect, to put up over the doorway this notice: No Tories need apply; the work in connection with this great transcontinental scheme shall be kept for the party pets; no contractor shall have a chance, a look-in, a show, unless he can show the Liberal stripe, unless he can show a Liberal lineage of at least four quarters. They framed their call for tenders in every instance to carry out that idea. Instead of following the custom of all Government calls for tenders, and demanding that five per cent of the estimated cost should accompany the tenders, they fixed an arbitrary sum, and they added to their call this important rider—that the commissioners reserve the right to impose upon the successful tenderer the duty of putting up a deposit of any sum, an unlimited sum. So, at once it became apparent that no one except he who had a political pull had the slightest chance. No other dared make a tender, for they could destroy him. Suppose tenders are called for and some man tenders who is not persona grata to the Administration or the commission. He puts up the arbitrary amount, say $100,000, they demand by their call. But then they call upon him to put up half a million, or a million—any impossible amount. What happens? He has bound himself by his tender to forfeit the money he put up if he does not fulfil the conditions, one of which is the putting up of this larger amount. Sir, I charge that that was intended by these gentlemen from the beginning. And you can see how that limited the scope, you can see how that limited the number of tenderers. So, of the great contracting firms in Canada, numbering a hundred or more, only half a dozen—eight or nine at the outside—ever put in an original tender for any portion of this eighteen hundred miles or more of road. What better evidence could you have that the whole matter was fixed from the beginning? We find the Grand Trunk Pacific tendering to the extent of $17,000,000. And they sublet, without ever doing a bit of the work, on a five per cent basis—the five per cent advance that they took in as a rake-off amounting to $850,000. What equipment had the Grand Trunk Pacific for the contract which they entered into? The only equipment they had was the rake with which they raked in the rake-off. A very effective equipment it was for the purpose for which it was intended, but it would not go very far in building a railway. Another very large portion went to Mr. O'Brien—Mr. O'Brien, the friend of the ex-Minister of Railways, the godfather, if we might say so, the sponsor, of the gentleman who found his way into this House after he had lost his seat in Brockville. But of all the contractors who had contracts on this line of railways—and I do not intend to speak of them all—the chief favourite appears to have been Mr. Michael Patrick Davis. No South American dictator has ever looted the public treasury of this country to the same extent as has this same Michael Patrick Davis, with the assistance of the Liberal party. I intend to pay a little attention to my friend Mr. Michael Patrick Davis. I have made a computation; I have been very careful in making it, and I challenge my friends on the other side to dispute the figures which I give. Michael P. Davis and his partner—if he has a partner, he is a silent one, for we never hear of him—had contract No. 7, upon which he made $625,000. On contract No. 8 he made $1,457,000. On contract No. 9-A, which he got without competition, he made the tidy sum of $60,000; on contract No. 9 he made $640,000; on contracts 16 and 17, in respect of which he did not do a thing himself, he made $740,000, a total of $3,522,000 by which M. P. Davis was the richer by reason of the building of the Transcontinental railway—a tidy sum for one man to earn from June, 1906, to December, 1911.

We have heard of M. P. Davis before in this House; we have heard of Mr. Parent as well, and it was in connection with the Quebec bridge. I should think that every Liberal who knows anything about the history of the Quebec bridge would hang his head in shame whenever it is mentioned. Let me trespass upon the attention of the House while I give a brief resumé of the history of the Quebec bridge. When the

building of the bridge was mooted a number of financiers in the city of Quebec thought it would be an excellent plan to form a company to build the bridge, and they organized themselves into a corporation, the name of which, I think, was the Quebec Bridge Company, of which Mr. Parent was the president. It was a company with large capital, not less than $1,000,000, and as they were going to build this huge bridge, the greatest that had ever been built, it was necessary to have lots of money, and they made a call upon the shareholders of the company by which they produced the magnificent sum of $40,000, 4 per cent on the capital, which amount was put in the treasury. They then elected their directors; any man who had a large amount of money was elected director with a large salary, so that long before the bridge tumbled into the river they had drawn out through the directors the whole of the original capital. They got a subsidy from the city of Quebec; they got a subsidy from the province of Quebec, and they got a subsidy from the Dominion Government, and then they started to build the bridge. The same M. P. Davis who made $3,500,000 out of the Transcontinental railway was the gentleman appointed by the Quebec Bridge Company to build the bridge. Having started the work, they drew the subsidy from the city of Quebec, they drew the whole or a part of the subsidy from the province of Quebec, and they drew a portion of the subsidy from the federal Government. When Davis had his substructure nearly finished, the company did not have enough money to pay him. The federal Government would not pay them any more money under the terms of the subsidy, but they had taken power to issue bonds against this bridge. They owed Mr. Davis $160,000, and they handed over to him $400,000 in bonds to pay that debt of $160,000, which meant that his bonds were worth only forty cents on the dollar. The bridge was going to cost $5,000,000 or $6,000,000; all subsidies did not amount to more than $1,750,000; there was only $40,000 of the original capital in the treasury—it had all been drawn out by the directors—so it looked as if the bonds were not going to be worth much. No superstructure had been provided for, and there was no money to build it; it looked as though that M. P. Davis was an easy mark. But those who thought so did not know their man. What happened? Mr. Parent, who was a very influential man at that time in the province of Quebec, came to Ottawa and induced the late Government to guarantee the bonds of the Quebec Bridge Company for $6,000,000; so, by the stroke of a pen, by the passing of the necessary Act, the bonds which M. P. Davis had taken at 40 cents on the dollar were worth 100 cents on the dollar—the result being that M. P. Davis was in pocket the sum of $240,000—this simple, innocent M. P. Davis who had been fooled into taking $400,000 of the bonds of the Quebec Bridge Company. Is there a man on the other side of the House so innocent as to suppose for one moment that there was not a secret understanding between Mr. Davis, Mr. Parent and the Government at Ottawa when he accepted these bonds at 40 cents on the dollar, that they were to be implemented by an Act to be passed to make the bonds good? That is how M. P. Davis made $240,000 out of the people of this country.

What thoughts the Quebec bridge calls to mind. If there ever was a monument to the incompetency and to the incapacity of a government it is the Quebec bridge. Six million dollars of the public money of this country went tumbling into the river. But that was not the worst part of it. More than seventy men—mechanics, the very pick and flower of Canadian workmen—went down to death and burial in the waters of the St. Lawrence river. Let me say that to-day those unblessed bodies are terrible witnesses of the incapacity of the late Laurier Government. What was the matter? Why did the Quebec bridge fall? It did not fall because heavy trains had crossed upon it; it did not fall from any great earthquake that had taken place or any terrible storm which carried away the Forth bridge. Sir, before it was half way across the river it fell of its own weight. It fell because of blundering, faulty construction—and who was to blame? Oh, they say, the engineer was to blame. But before the bridge fell the late Government, not that wonderful Quebec Bridge Company, had assumed the responsibility for its construction. Whom did they appoint as the supervising engineer? The very man who designed the bridge, Mr. Cooper, the consulting engineer for the Phoenix Bridge Company, contractors for the bridge. By reason of that man's ignorance and unfitness for his job that bridge fell and carried these men to death, and caused the destruction and loss of $6,000,000 of the public money of this country. Was it not possible for that Government to have obtained men competent to super-

vise the erection of the bridge? There were yet living that famous band of engineers who had designed and built the wonderful Forth bridge, that triumph of engineering skill. They could have been obtained. But no, so fond at that time were our friends of the American engineer that they thought they had to go across there and secure the very man who was the consulting engineer for the Phoenix Bridge Company. What was our loss was Mr. M. P. Davis' gain. He gained $240,000 by that Quebec bridge transaction, in addition to whatever sums he may have made on the contract. That is not the only thing. Take contracts 16 and 17. By these two contracts M. P. Davis made $740,000 without ever turning a hair. I thought the defence of the ex-Minister of Railways (Mr. Graham) on that was splendid. It stands out in my memory from his whole speech. Why, he said, if Davis had built the road we would have had to pay that $740,000 just the same. Was not that a splendid argument? Was it not a wonderful answer for a man who had filled the prominent position of Minister of Railways in a federal Government in this country? The only defence he could offer for a straight steal, a straight loss to the people of this country, of $740,000, was that if Mr. Davis had built these two contracts himself it would have cost that much just the same. Those tenders were called for at a time when they should not have been called for, when there was no necessity for calling for them. I say here without fear of successful contradiction, the facts show it and the fair inference to be drawn from the facts shows it irrefutably that that tender was let at the time it was let in order that some pet of the Government might be able to make a large sum of money. There can be no question about that. No man is so innocent as not to realize that. Owing to the inaccessibility of the country tenderers naturally put their figures up. The work was to begin at once and to be completed at once. Davis puts in his tender, gets the two contracts and never goes near the place. He waits for eleven months and then sells the contract to O'Brien, Macdougall and O'Gorman for a rake-off of 10 per cent—and the commissioners agree. Who are the commissioners? Parent, the same gentleman who helped O'Brien to carry off the $240,000, the very same Mr. Simon Napoleon Parent. Ten per cent! And then they waited for months and a little work was done. By the terms of the contract the whole contract was to be completed at a period when only twelve and a half per cent of the work had been done on 16 and nothing had been done on contract No. 17. What were they waiting for? Until Fauquier Bros. got their two contracts at either end of the work completed so that they could get in their supplies cheaply to this work and make this huge rake-off. So the contract was transferred, by the consent of the commissioners, and Mr. M. P. Davis made his nice little rake-off of $740,000. So it is between him and his friend Parent. On the Quebec bridge he got $240,000 which, with this $740,000, makes in round figures $1,000,000 that M. P. Davis got without ever having been up there or done anything. But that is only a trifle, a trifle as light as air. What is a million dollars to a Grit contractor? It only helps him to be in a better position to open up the head of the barrel when elections come around. These were not the only transactions where Davis profited from the late Government. There was the lighting of the Cornwall canal, familiar to all of us who were members of this House in the old days when we were in the cold shades of opposition—but were not half as glum as our friends opposite, we did not cry blue ruin or think the country was going to the dogs because there was a certain obsession in the minds of the people and they allowed themselves to be governed by the party that never had the genius for government, and always made a blunder when unfortunately they got the reins of power, but it will be so long before they get them again that gentlemen sitting on the other side will all be gathered with their fathers long before. It was amusing to hear the hon. member for Pictou this afternoon bewailing the fact that this rascality in connection with the building of the Transcontinental railway had been uncovered, because of the effect it was going to have on the money markets of Europe. Yet my hon. friend from Pictou could stand in his place and say that this country was going to destruction, that the Minister of Finance of Canada could not sleep at night by reason of the awful condition financially of the affairs of this country—that would do no harm of course. I quite agree that it would do no harm, people know too well the reason for this awful wail that is going up from the other side of the House to take any stock in it or to have any confidence in it. I am glad my hon. friend has at length returned to the House. I hope he has had a good

dinner. I was lonesome without him. I wanted to see his smiling face across from me because however he may wail about blue ruin he is always smiling.

There is a small matter—but small matters like straws sometimes show which way the wind blows—the matter of farm crossings. I do not know whether reference has been made to the farm crossings in this debate, but just to give a palpable instance of the magnificently efficient way in which these commissioners handled this business I would point to the farm crossing known as Delisle farm crossing. Delisle had a farm of fifty-five acres, and he offered this farm to the commission for $3,500, little less than $70 an acre. The right-of-way agent reported that that was too much, and so they only bought 5.23 acres, for which they paid $100 an acre, with damages of $277, and a further payment of $500 for damages. That made $1,300 altogether. The railway went across this man's farm, and it was necessary for him to have a crossing to get his cattle to water; so they enlarged the size of the culvert in order that he might drive his cattle through it. What did the enlargement of size of this culvert cost? It only cost $23,635. My hon. friend from Pictou did not observe that. The total cost, therefore, was $24,317, and they could have bought the whole farm for $3,500. There was another case, the Perron farm crossing, but it came a little cheaper. The extra cost was only $21,000. My hon. friend from Pictou is not the only gentleman who has made a speech in this House on this matter. I have in mind now an hon. gentleman opposite, the hon. member for Carleton, N.B. (Mr. Carvell). Has there ever been a subject discussed in this House upon which the hon. member for Carleton, N.B., has not been heard? I sit and listen to the hon. member for Carleton, and am amazed at the vast knowledge he possesses on every subject. I marvel, and I think can it be possible that one mortal mind can hold such vast stores of knowledge? He is a comparatively young man, and if he had devoted to study only those hours usually devoted, it would not be possible for him in the short time he has lived on this earth to have become the walking encyclopedia that he is to-day. Does he ever sleep, or does he spend the still watches of the night prowling about acquiring knowledge and more knowledge? We had a debate last year upon the Naval Bill. Some hon. gentlemen doubtless remember it. You at least, Mr. Speaker, remember it, because you were obliged, by virtue of the high office which you hold, to sit and listen to those long, dreary speeches. It seems to me that the emoluments of that office and the dignity that pertains to it are dearly bought when you have to listen to such speeches as were made on the Naval Bill by our friends on the other side of the House. My hon. friend from Carleton made a speech on that subject, and told us all about the construction of warships, ancient and modern, from the triremes of ancient Rome to the caravels of Columbus, from the flat boats of the Rideau canal to the super-dreadnoughts of Great Britain. All were an open book to him. He not only constructed the hulls of the ships, but filled them with the magnificent machinery that propels them. He launched two units, one for the Atlantic coast and the other for the Pacific coast. He put in engines, and in the debate showed a knowledge of the building of an engine not surpassed by Parsons, the inventor of the turbine, nor by Rudyard Kipling, the writer of McAndrews' Hymn.

Mr. SPEAKER: I think the hon. member is rather getting away from the point.

Mr. CARVELL: Mr. Speaker, I hope you will withdraw your objection, as I am enjoying the hon. gentleman's remarks very much.

Mr. FOWLER: I am sure my hon. friend is the last man to squeak; I know him too well. When it comes to agriculture, the hon. member knows all that pertains to that science. He is familiar with agriculture, from potatoes to peas, from milking a cow to grooming a horse, from the proper rotation of crops to the best soil in which to grow mushrooms. He can tell the Minister of Agriculture what sort of farm to select and where to select it. He has a thorough and complete knowledge of the subject. But the subject on which he is really at home is electricity. When he speaks on that subject you can see the veritable sparks flashing from his eye and the little blue flames playing about his corrugated brow. My hon. friend from Carleton can find nothing wrong with the conduct of the commissioners charged with the construction of the Transcontinental. Could there be any act of a Liberal Government so bad, so heinous, that my hon. friend could find

anything wrong with it? Or could the present Administration do anything, however good, that my hon. friend would not find fault with? So my hon. friend's criticism of the report of this commission is robbed of a weight that it might otherwise have, when we know that he condemned it before he read it, simply because it was the report of a commission appointed by this Government.

I just wish to refer to one other remark that my hon. friend made in his speech the other day. I was a little surprised that you, Mr. Speaker, who are somewhat tender with regard to the rules of debate in this House did not call the hon. gentleman to order. He said:

Any man from the Maritime provinces who will vote to sustain this report is a traitor to this country and has not the best interests of his province at heart. I will watch this vote with interest.

I hope he will watch it with interest and with principle, too. If the hon. gentleman would only vote on principle and watch with interest, I am afraid he would have to leave his party. He further said:

I want to see what attitude the Minister of Marine and Fisheries will take on this question.

I do not think the hon. gentleman really had any question in his mind as to what attitude the Minister of Marine would take, nor indeed as to what attitude every other member from the Maritime provinces, on this side of the House, would take on the question. I was a member of this House in 1903, when this Transcontinental Bill was launched; I was not afraid then to state the position I was going to take with regard to the line from Quebec to Moncton. I am not one of those who votes for a measure simply because it brings a temporary benefit to my province. My interest in this Confederation is not bounded by the limits of the province of New Brunswick; my interest in my country extends from Halifax to Vancouver, and from the boundaries south to the northernmost limits of Canada. I hold that man a traitor to his country, who, for the sake of some temporary advantage to a locality, is willing to vote for a measure which he knows in his heart is not in the best interests of the whole country. The hon. gentleman need have no uneasiness as to how the Minister of Marine and Fisheries will vote; he need have no uneasiness as to how every member from the Maritime provinces on this side of the House will vote on this question. In the debate of September 22, 1903, when I was addressing the House, Mr. Logan, who was then a member, put this question to me:

May I ask the hon. gentleman if he is opposed to the building of the short line between Moncton and Quebec?

I replied, and my answer is to be found in 'Hansard,' 1903, volume 5, page 12046, in these words:

Mr. FOWLER: I am not afraid to answer the question. I come from the Maritime provinces, and I propose to try for re-election in the province to which I belong. I say here and now, that I am opposed to the building of this eastern division, and that I am prepared to defend the position that I have taken upon any platform in my own province. I would be only too happy to have the hon. gentleman come into my county and oppose me on the stump.

That was the position I took in 1903, on the eve of the election of 1904, when I had to go back to my native county to stand for re-election. I have not changed my views; I hold the same opinion to-day. I believe, Sir, the building of that division from Quebec to Moncton was not necessary in the best interests of this country; nor was it necessary in the best interests of the Transcontinental railway itself. I approve of every word in that report when it says that this $35,000,000 was wasted, and worse than wasted, and that opinion is shared, I believe, by every hon. member from the Maritime provinces who supports the Government. And we will not take second place in patriotism, or in devotion to the provinces to which we belong, to any man in this House, not even the hon. member for Carleton (Mr. Carvell).

9 p.m.

A few more words and I am done. I have tried to be moderate, and I have been moderate, in the statements I have made in regard to this very important question. Hon. gentlemen opposite have tried to throw dust in the eyes of the people, in the answer they have attempted to make to the report of Messrs. Gutelius and Staunton, but their attempt will fail. When the smoke of this wordy warfare we are waging here has passed, certain salient facts will stand out clearly and distinctly for the electors of this country to ponder over. These facts briefly are: first, that the people of Canada were told that the railway was to be constructed at a total cost, as a burden upon the people, of $13,000,000; second, that it was declared by the Laurier Government that the entire cost of the line from Moncton to Winnipeg

was to be $61,000,000, when constructed up to the standard of the contract. That was what was promised by the Government of the day, but there are other facts which stand out just as clearly and just as distinctly. These other facts are: that the burden, so far as the country is concerned, must be measured at four times the figure mentioned by Sir Wilfrid Laurier, when he introduced the scheme. It is just as clear and just as distinct also, that instead of the entire cost being $61,000,000, it is over $240,000,000, counting the interest upon which the lessees will not pay rental, and in the face of that enormous excess over the estimated cost, the road is no better than the contract provided for.

Then there is another salient point, and it is, that there has been a wanton waste in the construction, of more than $40,000,000 that has been filched from the pockets of the people, and that friends of the late Government have been improperly allowed to make huge and undue profits on the work. I say, Sir, that not in the history of Canada has such great incapacity and incompetence been shown by men charged with the performance of a great national undertaking, than has been demonstrated by the Laurier Government and its commissioners in the building of this Transcontinental railway.

Mr. D. D. McKENZIE (Cape Breton North): If we were to measure the profundity and the logic of the speech of the hon. member for Kings and Albert (Mr. Fowler) by sound and bluster, it would certainly be no easy task for a comparative youth like myself to reply to it. I was reminded, when he spoke, that after all there is some effect in sound, because it is recorded upon somewhat authentic history that the walls of a certain city called Jericho yielded to rams' horns. Having that incident in mind, I was somewhat interested in the observations of the hon. member, but the sounds have passed away, and the firm walls of the Liberal Jericho, on this side of the House, are as invulnerable and as four-square as when he commenced to speak. As a speaker upon the motion before the Chair, I do not think the hon. member contributed very much. He is like the lecturer who was giving a lecture on the babes in the wood: he talked about everything else in the world without making the slightest reference to the babes in the wood. My hon. friend spoke about the Quebec bridge. I am not aware that there is anything before the Chair in reference to that bridge. We heard a great deal about this man Davis and his operations in regard to the Quebec bridge. The burden of the hon. gentleman's song was in regard to that matter, which is not before the House at all. I do not find fault because your Honour did not think it proper to take the hon. gentleman to task and tell him that he was out of order, when for nearly an hour he blazed away at the Quebec bridge, which, if I read the motion and the amendment before the House aright, has nothing whatever to do with the subject under discussion. But the reason the whip on the other side put up the hon. member for Kings and Albert to follow the masterful address of the hon. member for Pictou (Mr. Macdonald), which was absolutely unanswerable, from facts, figures and logic, was because my hon. friends opposite felt that it was necessary to play some trick; they felt that the cuttlefish trick was necessary to be performed on the other side, and I give the whip great credit for his choice in playing the cuttlefish trick. I cannot congratulate my hon. friend upon the logic of his argument; but, as a contemporary of the leading vaudeville men of to-day, I certainly congratulate him upon his prowess. He need never be afraid of not being able to earn a living while vaudeville is abroad in this country. There are certain matters in the life of this country in which I would perhaps set up my own judgment and experience and opinion against that of the hon. member for Kings and Albert but there are other matters, of course, in which I would absolutely and unreservedly give way to his better judgment and experience. Particularly would I defer to my hon. friend when it comes to discussing the question of a disappointed office-seeker. The hon. member has made a reference to the experience of the hon. member for Pictou in that regard. The hon. member from Pictou has the satisfaction of knowing that the people of the great county of Pictou had sent him here, and, so far as they could, had qualified him for the office. He has the satisfaction of knowing that, so far as the Liberal party is concerned, they would be absolutely satisfied from the top to the bottom to see that hon. gentleman occupying the highest office which the Right Hon. Sir Wilfrid Laurier could tender him and which he could accept. His constituents and himself have the satisfaction of knowing that that is the condition. The fortunes of war, of course, prevented him from enjoying, at the choice of his leader, his

party and the people of Pictou county, that office for the time being. That is the happy position occupied by the hon. member for Pictou. How does his position compare with that of my hon. friend the member for Kings and Albert? The office was there in the gift of his leader, who had the goods to deliver, of exactly the quality that my hon. friend desired. In the hands of his leader was the office that my hon. friend was looking for, that he was praying for. He put himself in the market the moment the door was open; on the first day of the fair he was on the spot. What is the matter? A story is told of an old Irishman whose wife died. Her name was Sarah Jane Hinckley. He wanted to put a tombstone over her grave. The sculptor asked him: what will be the epitaph on your wife's tombstone? 'Oh,' he said, 'I do not know; I would just like to write across the stone there "What is the matter with Sarah Jane Hinckley; she's all right."' I suppose our Sarah Jane Hinckley from Kings and Albert thought that he was all right for the position, for anything that the Prime Minister had to offer. But unfortunately the right hon. gentleman who had the goods to deliver did not think that the hon. member had the capacity or the qualities necessary. Has the hon. member the consolation of saying that his leader did not know him? Has he the satisfaction of saying: Well, if he had known my excellent qualities better, he would have given me the office? He cannot say that. From 1908 to 1911 his leader knew him intimately, and had some knowledge of him when he was not a member of this House. He saw him perform; he knew his points; he knew all about him. He saw his gaits in his various attitudes and positions. Therefore, the excuse cannot be that the hon. gentlemen did not know my hon. friend. The reason is that his leader knew him too well. So much the worse for the feelings and the experience of my hon. friend when he comes to discuss the feelings of a disappointed office-seeker. He is somewhat in the position of the ubiquitous Irishman who was on his trial and was told, 'Pat, do not be frightened; you will get justice.' Pat said, 'That is just what I am afraid of—that I will.' My hon. friend was no doubt afraid that he would get what was coming to him, because of the knowledge his leader had of him, and the unfortunate thing is that he got just what was coming to him. These are my reasons for yielding at once to the vast experience and knowledge of my hon. friend when he comes to deal with the heart-rendings of a disappointed office-seeker.

What did the hon. gentleman tell us about the contracts that were let and the subject which we are particularly discussing upon the motion and the amendment before the House? We were told by the hon. member that there were great irregularities, and he began to point them out by showing that contracts were not properly let and that there was squandering of money and dishonesty from one end of this transaction to the other. I am sorry that the mind of the hon. gentleman is so constructed that he cannot conceive of honesty anywhere except perhaps under his own hat. Does the hon. gentleman know of anything that was irregular, anything that savoured of wrongdoing with regard to this huge undertaking from Winnipeg to Moncton? There are some men in this country who cannot conceive of anything being done honestly or in a straightforward way. They think there must be something wrong about it. I submit that, on account of the latitude allowed the hon. gentleman to discuss the motives of parties and of men, I am quite in order in pointing out to him the history of his party in regard to matters of this kind. The people of Canada have been very kind indeed to the Conservative party. If ever there was a party in Canada or anywhere in the civilized world that has had opportunities of showing what it could do for its country, it is the Conservative party of Canada. They were honoured with the confidence of the people at Confederation and remained in power until 1873 under the leadership of Sir John Macdonald. Why did they lose the confidence of the people in 1873? Simply because when they came to manage a big transaction in which great sums of the people's money could be handled rightly or could be handled wrongly, they handled those moneys wrongly and dishonestly—they squandered and stole the money of the people. And so they were turned out of power. But, as I have said, the people were indulgent to the Conservative party, and called them back to power in 1878. But can the leopard change his spots or the Ethiopian his skin? The Conservative party were but a short time in office when they were back at their old tricks. By reason of the tactics of their great leader, Sir John Macdonald, they remained in power down to his death. And

what was the cause of his death? He died broken-hearted because of the scandals that broke out around him; the tide of corruption ran too strong against him, the conditions were such that he could not face them; he died of a broken heart because of the sins of the party he led. Why did they go out of power again? Because of the Curran bridge scandal, the Soulanges canal scandal, the McGreevy-Connolly scandal, and the thousand and one other scandals that arose in connection with their handling of the public funds. I can understand why the hon. member for Kings-Albert cannot conceive of any political party doing things honestly, for he is a lineal descendant, and fellow-workman of the party whose record I have just related.

And what have they brought home to us in the fifteen years when we were in power under our distinguished leader? We were told year after year, and day after day, by those hon. gentlemen when they were in opposition, that the moment they got into power they would throw light upon the book-keeping, the contracts and all affairs involving money in the public business of this country and they said they would rend the heavens with the disclosures they would make of the doings of our Administration. The change of government came, and every public record which could be used for the purpose of disclosure was within their control. They have been in power for two years and a half; they have had commission after commission, searching-party after searching-party, and down to this day they have not been able to put their finger on one fifty-cent piece of the people's money spent under the Laurier Administration that was not properly used. If there is anything that they know, I, as a humble follower of the great leader of the Liberal party, and as a humble member of this party, defy them to produce it, and to show the people wherein either as a party or as individuals belonging to that party we have done anything unworthy of the cause we represent or the name our party bears. It is an easy matter to slander either an individual or a party, especially here in this House where the cloak of privilege is thrown over the shoulders of the speakers. But I challenge the hon. member for Kings-Albert to say in the open the things concerning Mr. Davis that he has said in this House—that Mr. Davis was stealing money from the treasury of Canada, that he was receiving money improperly and with the assistance of the commission. If he will go outside and say these things concerning Mr. Davis and the commissioners, I promise him, he will get an answer from the Supreme Court of this country that will not be to his liking. It is easy to make general statements without anything to back them up; and I submit to you, Mr. Speaker, that there was not a single statement made by the hon. gentleman with regard to Mr. Davis or the commissioners that he could back up with facts. Now, I can very well leave the record of our party there. We have a leader, we have a record, we have a policy that received the commendation of the people. I think it ill becomes the hon. gentleman who has just addressed the House, or any gentlemen of the party to which he belongs, to throw stones at us in view of the rickety glass house in which they themselves have lived for the last forty years.

The hon. gentleman challenged us to show any statement in this Gutelius-Staunton report that was not backed up by the evidence. Well, Sir, this report contains the statement that money was squandered by the Transcontinental Railway Commission in building a double-track railway, whereas they should have built a single-track railway. I had a controversy with my hon. friend from North Ontario (Mr. Sharpe) the other night on that point. And, with his usual capacity for acrobatic performance and jumping everywhere except where he was asked to jump, the hon. gentleman avoided the point. I asked him to show where in the Act it was provided that this was to be a single-track railway. And what did he do? He produced a contract under which the contractor bound himself to build a single-track railway. And he was cheered to the echo by the 'intelligence' of the hon. gentlemen who sit around him, and they all said, what a masterful lawyer that young chap is. The hon. gentleman endeavoured to prove that Davis had a contract to build a single track railway; of course, he said, that is the law; that is what is in the statute. I submit that that is not the law, and that is not what is in the statute. I do hope that the reputation of the member for North Ontario as a lawyer does not depend upon the assertion which he made in that regard. But this assertion was followed up to-night by another along the same line made by the hon. gentleman who has just addressed the House. What is the law on this point? Chapter 71 of the Acts of 1903 very clearly and specifically

states the power of the commission in this regard. Section 8 says:

> The eastern division of the said Transcontinental railway extending from the city of Moncton to the city of Winnipeg, shall be constructed by or for the Government in the manner hereinafter provided and subject to the terms and provisions of the agreement.

There is not a word in this section about single track railway. Here is section 15 of the same Act:

> The commissioners shall have, in respect to the eastern division, in addition to all the rights and powers conferred by this Act, all the rights, powers, remedies and immunities conferred upon a railway company under the Railway Act and amendments thereto, or such general Railway Act, in so far as they are applicable to the said railway, and in so far as they are not inconsistent with or contrary to the provisions of this Act shall be taken and held to be incorporated in this Act.

My hon. friend appeared very learned the other night and got his friends to laugh because I took the point in law that there was no restriction on this commission as to what kind of railway they should build. Here is the statute from which I was quoting on that occasion, and which I stand by now. I say that the statute does no more than give the amplest power to these commissioners to build any kind of railway they want to build. If I did have any doubt about this matter it was removed long before the hon. member for North Ontario spoke by the observations of the hon member for South Renfrew, who held this book out the other night to the Solicitor General and asked him to find in it or anywhere in the law governing this subject a provision that the road must be a single track road, and the Solicitor General, with all his ingenuity and ability to get rid of a difficulty, had to succumb to the inevitable and acknowledge that there was no such provision. What becomes of the challenge of the hon. member for Kings and Albert, directed to me as the next speaker, to point out in this report anything inconsistent with the facts and the evidence submitted? There is not in this report, from one end to the other, a particle of evidence which in the slightest degree supports the contention that only a single track railway should be built. I submit that even if the law said that a single track railway should be built, which it does not say, what was actually done is incidental to the building of any railway, that is, the making of provisions for double tracks and sidings at the termini of the road. There is, therefore, nothing at all in the point which hon. gentlemen opposite have attempted to make to the effect that hundreds of thousands of dollars were lost in the double tracking of this road.

The hon. member for Kings and Albert challenges us also to name one assertion made in the synopsis of the commissioners' report which is not backed up by the evidence. I want to give one more illustration, and then I am through with that part of my remarks. I wish to point out, not only to the House but to any person who may think it worth while to read my observations, that this report is not reliable because in dozens of instances statements are made which are not borne out by the facts. While I do not propose to go over the whole of these instances, I want to point out that when the evidence of any person is found to be defective in several material points, the value of the whole of his evidence is practically destroyed. Hon. gentlemen in this House who are lawyers and who have to deal with the weight of evidence, know that if a man goes on the stand and is caught in stating what is not the fact on several points, so far as the court is concerned, while he may tell the truth in some instances, the value of the whole of his evidence is practically destroyed because he is found telling what is not true. I simply wish to apply that principle to this report, and to ask my hearers to conclude that the report is entirely unworthy of confidence. On page 6 we are told that the commissioners were wrong in their methods of inviting tenders. The report says:

> The rules adopted by the commission in advertising for tenders, the unlimited security required to be furnished by the contractors, and the proposal to let the work for the most part in unreasonably large sections, resulted in only five contractors tendering for 806 miles of the railway, and eleven contracting firms secured all the work and sublet it to upwards of 100 subcontractors, who, had the work been divided into reasonably large sections and the security required in other governmental contracts only been exacted, would have in all probability competed in the bidding. As an indication of the handsome profits derived by these eleven firms, it appears that they were paid $8,800,000 in profits for that part of their work which they let to subcontractors.

For the proof of that statement we are referred to page 19. It may be tedious to you, Sir, and to the House to listen to the evidence to which we are referred, but a concise statement of facts is made on page 6 of the report, and at the foot of that page we find the words: 'See page 19.' One would therefore expect to find on page 19 of the report evidence to substantiate the charge that tenders were improperly called for. Here is page 19: 'Methods of award-

ing contracts and the consequences.' Permit me to read this evidence, and let me remind hon. gentlemen again that we expect to find on this page evidence of misconduct in respect to the calling for tenders:

As there are several important matters considered under this head, an explanation of some length is necessary to their understanding.

For construction purposes, the 1,806 miles of railway to be built was divided into 21 sections, the length and location of which will be seen on exhibit No. 9.

The commission furnished under forms (see exhibit No. 10), which included a unit price schedule for various items of work and material connected with the intended contract and named everything which the engineers thought might enter into the construction of the railway in all its ramifications. The tenderers were required to fill in the schedule with their prices per yard, per pound, etc., for excavating and furnishing material.

Before advertising for tenders the engineers made an estimate for each section of the quantities and cost of the various materials and works named in schedule expected to be moved or provided, to be in a position when the tenders were received by placing the prices mentioned in the tenders opposite these items to determine who are the lowest tenderers. A glance at the schedule will make the above quite clear.

The contractors were required to tender on a general contract to do everything towards the building of the railway excepting the supplying of the steel for the tracks, the building of steel bridges, depots, shops, warenouses, freight and fuel sheds. For some reason unknown to us although the other buildings were excluded the engine houses and section houses along the whole line were specifically included in the general contract and, for some other reason quite impossible to understand, it is provided in the contract that the prices named should not apply to engine houses and section houses. That this was deliberately done appears from the fact that the secretary drew the attention of the commissioners to the omission. Later (see 'buildings,' page 80) we will have something more to say about this peculiarity of the contract, which practically allowed the contractors to fix their own prices.

It was open to the commission to inform the tenderers of the quantities which the engineers estimated would be included in their contracts for the purpose of letting them know what the engineers thought as to the magnitude of the contract.

After consulting with Mr. Collingwood Schreiber, who strongly advised that estimates be not exhibited to the tenderers the commissioners decided that they would not give to the contractors this information, and would furnish them only with profiles and plans. (Exhibit No. 11.)

The contractors themselves considered that the engineers' estimates were strictly private. (Page 494.)

Where the information is not open to all it is most unfair that any one tenderer should obtain 'inside information' because, if he knew the quantities he might put a very high price against an item on which he knew the engineers had not estimated or had only estimated for a small quantity without any fear of the total under that head bulking so large in the entire price as to imperil his chances, or he might, as was done by Fauquier Bros., put a very low price on an item which the engineers had mistakenly estimated at a very large amount.

In awarding the general contracts the first step was to advertise for tenders. A copy of an advertisement is appended. (See exhibit No. 12.) In submitting their tenders the tenderers were to fill in in the column headed 'rate' their price for each of the 103 items enumerated.

That is the whole of the evidence on page 19. I submit to you and to the hon. gentlemen in this House that there is not one word there to substantiate the charge that tenders were improperly called for and that opportunities were given to some tenderers that were not given to others. These are at least two instances in which there is not the slightest evidence that there had been any wrong-doing as far as the commissioners were concerned.

We have a charge elsewhere in this report of the investigating commission that momentum grades should have been adopted and the statement that if they had been a great saving would have been effected. The investigators report that the commissioners and the Government were to be condemned, forsooth, because they did not follow such a course. We have the evidence furnished by the investigating commission themselves upon that very point, and what is it? Not one syllable from the officers whom the commissioners were obliged to follow and these rulings and decisions they were bound to observe, to support the contention made in this report that momentum grades should have been allowed and that they would have been equally effective and efficient in the construction of the road. Here is the evidence furnished by the commission, and I submit to you that there is no danger of their furnishing anything but what they had to; they would certainly not furnish anything favourable to the commissioners who had the construction in hand. On August 9, 1905, there is a letter to Mr. H. A. Woods, assistant chief engineer of the Grand Trunk Pacific, from Mr. D. MacPherson, the assistant chief engineer of the commission. That letter reads:

August 9, 1905.

H. A. Woods, Esq.,
Assistant Chief Engineer,
Grand Trunk Pacific Railway,
Montreal, P.Q.

Dear Sir,—Would you kindly send me a set of your speed and distance diagrams for cal-

culating momentum grades, giving details of weights of engines used.

Yours very truly,
(Sgd) D. MacPherson.

On August 14, there is a reply to that letter:

Montreal, Que., August 14, 1905.
Mr. D. MacPherson,
Assistant Chief Engineer,
Transcontinental Railway,
Ottawa, Ont.

Dear Sir,—Replying to your letter, of August 9, asking for a set of our speed and distance diagrams for calculating momentum grades. I beg to say that we have not considered momentum grades, in any way, in our located lines, and I question the utility of doing so on grades as low as we are using.

For details of weight and engines used, I have to say that we propose to use the new Government specifications for bridges, using the 'heavy' class of engines. This I understand gives the weight of engine and tender 355,440.

Yours truly,
(Sgd) H. A. Woods,
Assistant Chief Engineer.

Then there is a letter addressed to H. D. Lumsden, Esq., as follows:

November 20, 1905.
H. D. Lumsden, Esq.,
Chief Engineer,
Ottawa.

Dear Sir,—Attached is correspondence I have had with our district engineers and with the assistant chief engineer of the Grand Trunk Pacific railway, on the subject of virtual grades.

You will see that some of our engineers are in favour of using same in certain places, and some are not. Mr. Woods is not in favour of using them.

Here is the point: Mr. Woods is the engineer of the Grand Trunk Pacific, who are to take over this road under a contract when it is finished, and we have here the statement that Mr. Woods is not in favour of using momentum grades:

They are of course only suitable for undulating country and not for long stretches of country on maximum grades.

Engineering has been described as the art of making a dollar earn the most money, and a judicious use of virtual grades at points where the locomotive engineer has a chance to 'take a run at the grade,' would undoubtedly save money in construction and admit of the line being operated with maximum virtual grades of 0.4 and 0.6 though the actual grades would appear on the profile as steeper. Of course, if we have actual grades of 0.4 in locations where the engine can get a run at them, they can be operated as virtual grades or less slope, and the haulage capacity of the engine will be greater than on a virtual grade of 0.4. Will you kindly let me have your ruling early as to whether or not we shall use virtual grades where possible? Please return file.

Yours very truly,
(Sgd) D. MacPherson,
Assistant Chief Engineer.

The reply to this letter is as follows:

D. MacPherson, Esq.,
Assistant Chief Engineer.

Dear Sir,—In reply to your letter of the 20th inst. re actual and virtual grades. I am certainly of the opinion that we must adhere to actual grades so far as our construction is concerned, and all district engineers should be so instructed. Should any exceptional cases arise they should be submitted to this office, but you must bear in mind they must be approved by the Grand Trunk Pacific Railway Company before they can be adopted. I return herewith all correspondence.

Yours truly,
(Sgd) Hugh D. Lumsden.

That seems to be all that passed between the engineers of the Grand Trunk Pacific and the engineers of the commission in connection with this matter. The question was brought up by MacPherson, who submitted it to the chief engineer of the Transcontinental. Mr. Lumsden said that it was not in compliance with the terms of the contract, and therefore there was no use talking any further about it, and he ordered his assistant engineer to instruct the engineers from one end of the line to the other accordingly, and that was the end of it. The commission appointed to construct this road were given under the Act a chief engineer who had general control of the whole work, absolute control over the final estimates, and actual control of what should be regarded as final in connection with the whole work. When such a man gives an opinion to the commission that a certain grade is to be followed, and that there is no use talking about anything else, would it be conceivable for one moment to suppose that the commissioners, who were bound to follow that man's advice, would put up their own opinion against his and say: We will change the grade and change the contracts? Where would this work have been if the commissioners had not followed the advice of the best authority on engineering which this country put at their disposal? They were bound to follow the advice given by the chief engineer, and in following that advice they did what was right. We have heard a great deal about clap-trap this evening. My references have no bearing on the language of anyone in this House, but I submit that, so far as business is concerned, this report is clap-trap of the worst possible kind, and not deserving of the least possible attention of this House or of any respectable portion of the community to which it is supposed to be submitted.

The investigating commissioners also raise the point that the Transcontinental Commission did not follow the advice of the legal authorities of the Government, and that if they had any legal authorities themselves they did not consult them. I submit that that is not fair; it is not what I would call honest. I find here upon the record a question put to Mr. Grant which strikes me as not being a fair and proper question. Mr. Lynch-Staunton asked him the following question:

Q. You were not aware that the commissioners were asked the opinion of a legal adviser in respect to the matter of the construction that they were putting on this assembled rock?

Mr. Grant, with the answer practically put in his mouth, says:

No, I am not aware. So far as I know, they did not.
Q. Don't you think it was poor business for them not to have asked a legal opinion?—A. I suppose it would have been better.

But all this time Mr. Staunton had in his hand the letter and the opinion which appears on page 384 of the report in respect to this very subject of classification. If there is anything wrong about the classification—I do not agree for one moment that there is—that is certainly a matter not brought home to the doors of the commissioners. They accepted the plans and specifications put in their hands by the officers of the Government. By whom were those plans and specifications prepared? They were prepared by Mr. Woods, by Mr. Butler, and by the engineer who was the adviser of the Government of Sir Wilfrid Laurier, Mr. Collingwood Schreiber. These three capable men met and prepared the plans and specifications, approved them so far as they could approve them, and handed them over to the commission as being the plans and specifications on which the road was to be built. What remained to the commissioners was simply to accept those plans and specifications and to carry out the work to the best of their ability. If there was anything wrong with those plans it was certainly not for the commissioners to correct them, but for the experts of the Government.

I wish to bring to the notice of the House a very remarkable state of affairs. At the time this contract was entered into and the plans and specifications were agreed upon, there was in the office of the Railway Department of this country, as Deputy Minister of Railways and Canals and as chief engineer of that department, a gentleman of very high repute as an engineer, a gentleman of learning and ability and a man of affairs in this country—Mr. M. J. Butler. Mr. Butler, of all men had knowledge, from the origin, of those plans and specifications. He had intimate knowledge of how the building of this high-class road was arrived at, he knew what advice he had given to the Government with respect to it, and the responsibility which he took upon himself in connection with preparing the plans and the advice he gave in regard to the grade to be used on the Transcontinental. It would strike you, Mr. Speaker, that a royal commission that was looking for the truth and the truth only, a commission that wanted to get at the foundation of this matter and put the facts before the people, would have called as its first witness Mr. Butler. Mr. Butler knew all about the business better than any other man in this country. But what happened? The commission sat day after day, wandered about from place to place, took photographs and snapshots of themselves on the hillsides whenever it was pleasant and sunny enough for them to be out. From the day they were appointed till they handed in this report they were wandering all over the country taking evidence here and there. Mr. Butler was available to them; he was in the city of Montreal and could have been called at any time. His evidence would certainly have been valuable to the people of this country, and would have been the best evidence, and the kind of testimony the people of this country want; but from the day the commission started until they handed in their report Mr. Butler was not examined and the people of this country and the members of this House are not given the benefit of his opinion. If the commissioners wanted to get at the real facts, why did they not call Mr. Butler, the man of all others who knew all about it and could give an opinion as to why they decided on an 0.4 per cent grade one way, and an 0.6 per cent grade the other? I do not know why they did not call him—I do not want to make any harsh statements—but, judging from the general character of this report, and the aptitude with which the facts are suppressed and the facility with which matters are put forward which are detrimental to the interests of the Liberal party, and which throw a slur on the capacity of the engineers of the National Transcontinental Commission, I have the right to draw the conclusion that the evidence of Mr. Butler was kept in the background because it might throw on this whole business

a light that they could not hide under a bushel, and so the only safe thing to do was not to examine him at all. Mr. C. A. Young was the commissioner in charge of the Winnipeg end of the work, and one would naturally suppose that he would be the first man they would call as a witness. He had to deal with the matter, and he was the best evidence, because he was on the spot and knew all about it, but Mr. Young was never called, and not one word of his testimony is printed in ths blue book. What I have said about the evidence of Mr. Butler I say about the evidence of Mr. Young, namely, that his evidence was the suppressed by these gentlemen because it would not suit the kind of instrument they were preparing, and the contract they undertook.

Mr. CARVELL: Worse than that, they had a discussion with Mr. Butler, and it was never incorporated in the evidence.

Mr. McKENZIE: I am told by the non. member that they had an opportunity of discussing with Mr. Butler what his evidence would be, and when they found it would not suit their purpose they left it out altogether. That is the kind of a report we are called upon to treat seriously.

I wish to point out further, that so far as Mr. Lynch-Staunton put himself in opposition to the opinion of anybody else who had a right to give a definite and considered opinion in connection with this matter, he was found to be wrong. He put himself forward as an authority on the question of what kind of buildings should be erected, and the manner in which the railroad, with all that appertains to it, should be operated. These commissioners put their opinion against the authority of such a man as Sir William Whyte, chosen as arbitrator by the contending parties, and Sir William Whyte turned down that opinion when it was submitted to him, and gave the most emphatic decision against Messrs. Gutelius and Lynch-Staunton as far as concerns the operation of the road and its equipment. One would think that when the award of the arbitrator was against the opinion of the commissioners, they would accept that as being the law, as happens in every other proceeding of this kind. If a judge differs from his brethren on the Bench, and he is overruled, and the majority give a decision settling what the law is for the time being, the dissenting judge does not go out and say: I am right and the others are wrong; he accepts the dictum of the majority. That was what Mr. Lynch-Staunton should have done when the decision of the tribunal was against him, but instead of that we find him reporting to the King, as represented by the Governor General, that he still adheres to his own opinion, as against the decision of Sir William Whyte.

Then Mr. Lynch-Staunton gave his opinion on a law point in connection with the contract, and against Mr. Staunton's opinion we have the opinion of the Minister of Justice, a gentleman of wide practice and experience on the Bench and at the Bar; the opinion of the Deputy Minister of Justice, than whom there is no more capable lawyer in the Dominion; the opinion of a former distinguished Minister of Justice, Sir Allen Aylesworth, agreeing with the present Minister of Justice and the deputy minister; the opinion of Mr. A. J. Brown of Montreal, a lawyer, whose opinion I understand is of considerable weight, and the opinion of the Law Clerk of the National Transcontinental Railway Commission, and yet, when the report comes down to the House, in spite of this array of authority against him, Mr. Lynch-Staunton still adheres to his own legal opinion. Of course, that was done for the purpose of reflecting upon the National Transcontinental Railway Commission, and upon the late Government.

10 p.m.

On the question of classification, I would point out that Messrs. Gutelius and Lynch-Staunton seem to know very little about assembled rock. I rather think that when the people of Canada come to understand the genesis of this report, for which this country had to pay $63,000, they will reach the conclusion that while the commissioners are ignorant on the subject of assembled rock, they are very astute upon the subject of assembled falsehoods.

On exhibit 16 of volume 2 of this report, we have a diagram of what Mr. Lumsden, the chief engineer, handed out to his subordinates. He pointed out in diagram No. 1 a certain kind of rock in ledges; in diagram No. 2, rock in boulders over one cubic yard; in diagram No. 3, conglomerate rock or plum pudding stone; in diagram No. 4, detached ledge rock in mass over one cubic yard; in diagram No. 5, rock in masses of over one cubic yard reassembled rock); in diagram No. 6, shale rock. He summarizes at the foot of the page as follows:

No. 1 is a mere matter of measurement by the engineer.

No. 2 is a mere matter of measurement by rock measurers.

No. 3 is a mere matter of measurement by the engineers.

No. 4 is a mere matter of measurement by rock measurers.

Nos. 5 and 6. To form a judgment as to whether or not it is best removed by blasting, the chief engineer must view the work in progress or leave it to be decided by the engineer in charge, whose duty it is frequently to visit the work during its operation and be governed thereby and act accordingly.

This is signed by Hugh D. Lumsden, chief engineer, and put into the hands of his subordinates; and the commission and everybody else had to follow this report and the law as laid down there by the chief engineer. As I said already, I submit to the House and to the country that there was nothing left to the commissioners but to follow the instructions as laid down by the gentleman given to them as the man above all others who was to direct them as to what was assembled rock, shale rock or common excavation or whatever else they had to deal with in connection with this work. That being the case, I submit that no case of any kind has been made out against the commissioners.

We have a right to suppose that, before such slanderous charges would be made against the personnel of the commission, there would be some evidence to back them up. I have no brief for the hon. gentlemen who composed that commission, and many of them personally I did not know at all. I had slight acquaintance with the commissioner from Winnipeg, Mr. Young. I believe he is a man of excellent standing in his own city; I have never heard anything to the contrary; and we have to assume until the contrary is shown that he is an honest, capable man, and, of course, as far as this commission and this evidence is concerned, there is nothing to the contrary. As far as the former premier of the province of Quebec is concerned, I submit that he can very well afford to laugh at the criticism levelled against him by hon. gentlemen opposite. He is a man of first class standing in his own province. Not only is he known in that province favourably and well, but he is known from one end of this country to the other as a big man. I submit that, when the day came for the distinguished gentlemen who led the Government of the time to find a man to take the place of Mr. Wade, it would be difficult for him to find a more capable gentleman than Mr. Parent, the ex-Premier of the great province of Quebec. The old adage would well apply to him in regard to the speeches made on the other side yesterday and to-day in reference to him. I have heard him say: 'Well, on a beautiful moonlight night, you hear the dogs barking; you hear a lot of noise; but what does the moon do? The moon moves majestically on.' This gentleman, who is and who has always been of high repute in his province, can well afford to hear those barkings and move majestically on in his business and pay no attention to them. If my hon. friends opposite go outside the shelter and protection they may have in their various callings, and say anything about this gentleman, when they are brought to task, they will find that Mr. Parent is the respected gentleman that he always has been, and that his repute and standing in the country are not to be molested or maligned by cheap jack talk, such as we have heard in regard to him yesterday and to-day in this House and elsewhere.

Mr. SPEAKER: I think the expression 'cheap jack talk,' as applied to hon. members, is not proper in this House.

Mr. McKENZIE: Well perhaps not, Sir. I come now to my own province of Nova Scotia, and refer to those hon. gentlemen who had charge of this commission. We had as the first gentleman who was made chairman of this commission the hon. Mr. Wade, who was for many years a member of this House and well known to yourself, Sir, and many other hon. members. I submit that in his day, when he was appointed and for many years before he was appointed to this position, Mr. Wade took second place to no man in any province of the Dominion as a gentleman, a man of affairs and a lawyer. While he was in charge of this work, he did it well, faithfully and with great display of ability. It is a poor tribute to his memory that gentlemen opposite try, at this time, when he is silent in death, to cast reflections upon his memory by stating that he was a party to giving false information and handing out contracts in a false way and doing things for the purpose of carrying on improperly and dishonestly the affairs of the great undertaking of which he was made chairman and as regards which he had great responsibility. I submit that it is slanderous to him and that it is a pity that hon. gentlemen opposite should think it worthy of them to make such charges against a man who is unable to defend himself.

I come to the hon. gentleman from the

county of Antigonish (Mr. McIsaac), who took the position of commissioner at the death of Mr. Wade. He does not require any defence at my hands. He was a member of this House for many years, and I submit, without disrepect or disparagement to any other member, that there was never a man in this House who more correctly and more properly behaved himself and was more respected in this House than Mr. McIsaac. As has been pointed out to me, when it came to the finding of a successor in the great county of Antigonish, which was honoured for many years as having for its representative the distinguished gentleman who was at one time Premier if this country, the right Hon. Sir John Thompson, the mantle of Sir John Thompson fell upon the worthy shoulders of Mr. McIsaac. He was the gentleman selected by the Right Hon. Sir Wilfrid Laurier to fill the position of Commissioner. Before Mr. McIsaac came into this House, he was an honoured representative of the county of Antigonish in the local legislature, a member for many years of the Government of Nova Scotia, a distinguished member of the Bar of his province, a man of means, a man of affairs, and acquainted with the many vicissitudes in the progressive province of Nova Scotia.

He came here to give his time and attention to the building of this railway. And there is not a man living who can put his finger upon one spot in the character of Mr. McIsaac. There are Nova Scotians here who are supposed to know something about Mr. McIsaac and about Mr. Wade, now dead and gone, and I challenge them to put a finger upon one stain upon the character of these men in connection with any business they ever handled. As to the suggestion that lawyers should not be at the head of this business, I submit to you, Mr. Speaker, that there is no class of men in the community who are better fitted for such business than lawyers, if you get the right kind of lawyers. It is all nonsense to say that a lawyer knows nothing but how to read statutes and give opinions upon points of law. If a lawyer has a wide practice—as these lawyers had—he has to deal with every kind of business. In a real estate case, he must know something about land measurements, he must know something of the cost of building, both the price of material and the price of labour. I will not go into all the cases; but if you have a practical, experienced lawyer, you have a man whose training brings him into touch with every kind of work. For that reason, to sneer at lawyers being at the head of the work, is not doing the lawyers justice. The man trained as an engineer may know how to measure a rock cutting or estimate the quantity of material moved, but that is a small matter in comparison with the expending of many millions of dollars and in comparison with the whole work to be done on this road. The man who can deal with prices, men, and matters generally is better equipped for such a work as this than the man who is a specialist in one thing and knows little of others that enter into these projects. So, it is not doing justice either to the Government or to the men who were in charge of the work to sneer at those men because they were lawyers. Nor is it fair to sneer at them because the work cost more than it was supposed to cost at the beginning. An hon. member on the other side told us the other day that the commission appointed by the United States Government to build the Panama canal was composed mainly of engineers. Are we asked to believe that there was no over-expense there and that the work is being carried out within the estimate first made? I believe that the estimate given for the construction of that great work was somewhere in the vicinity of $150,000,000. The expenditure has been $400,000,000, under this great and competent staff of engineers, and the work is not yet finished. If the Government of the United States, with a commission of engineers, naval and military, the best men that could be found, spends over $400,000,000 for a work that was estimated to cost $150,000,000, what have we to say against a commission here, because, forsooth, the work under their charge overran the estimate made in the first place?

The reason why we started this work in 1903 is very well known to you, Mr. Speaker, for you were then in the House at that time and a very active member. Those reasons are set forth in the preamble of the statute, which is as follows:

> Whereas by reason of the growth in population and the rapid development in the productiveness and trade of Canada and especially of the western part thereof, and with a view to the opening up of new territory available for settlement, both in the eastern provinces and in the West, and the affording of transportation facilities for such territory, and for other reasons, the necessity has arisen for the construction of a National Transcontinental railway, to be operated as a common railway highway across the Dominion of Canada, from

ocean to ocean, and wholly within Canadian territory; and whereas an agreement has been entered into, bearing date the 29th day of July, 1903, between His Majesty the King of the first part, and Sir Charles Rivers Wilson, G.C.M.G., C.B., and others, representing therein and acting on behalf of the Grand Trunk Pacific Railway, a company incorporated by an Act of the Parliament of Canada passed at the present session thereof, of the second part, making provision for the construction and operation of such a railway; and whereas it is expedient that Parliament should ratify and confirm the said agreement, and should grant authority for the construction in manner hereinafter provided of the eastern division of the said railway between the city of Moncton, in the province of New Brunswick, and the city of Winnipeg, in the province of Manitoba: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

As has been pointed out, this enterprise was fully discussed in this House at that time. I do not know that there ever was a subject before this House that received a more thorough threshing out than this. The people were asked to give their judgment upon it, and by an overwhelming majority they declared in favour of the Government carrying out this enterprise. The work was commenced. Then, in 1908, there was an opportunity again for the people to pass judgment; and again, the right hon. gentleman (Sir Wilfrid Laurier) who was then Premier of Canada, received an indisputable and overwhelming mandate to go forward with this great undertaking to a satisfactory completion. These are the circumstances under which the Government undertook the work and were carrying it on. The hon. member for Kings-Albert told us that he was always opposed to this undertaking. It is possible he was. He says he was elected in 1904, and his opposition was well known. But when the people of Kings-Albert had an opportunity of understanding the subject, when they had the opportunity of knowing what the nature of this enterprise was and what it meant to the Dominion, when the hon. gentleman went back to his constituency in 1908, they defeated him by a sweeping majority. So, his own experience in his own county and in the province of New Brunswick is certainly no proof that the feeling in that great province is against this enterprise. If the hon. gentleman was opposed to it in 1904, I am not surprised that when the Prime Minister came to select his Cabinet he did not take in the hon. gentleman. For the right hon. leader of the Government (Mr. Borden) was in favour of building the road. He proclaimed from the housetops everywhere in the province of Nova Scotia that he was in favour of the building of this road. Remarks to that effect were quoted from his speeches here to-night; what is the use, therefore, of a member coming here and telling us that he was against it? His leader, whom he supported and whom he now supports, was in favour of the building of this road from Quebec down to the Maritime provinces. When the right hon. gentleman was confronted with quotations from his own speeches this afternoon, made by the hon. member for Pictou, he took no exception to them, and we must take it for granted that these quotations were correct, that those were his views at that time and are his views to-day, and that he is in favour of the building of this road into the province of New Brunswick and down to the Maritime ports.

We are told by the hon. gentleman from North Ontario that this road should never have been built east of the Quebec bridge. If this road was not to be built east of the Quebec bridge, why should it be built to the bridge? No good purpose is to be served by building the road to the bridge, and stopping at that point. If the purpose of this road is to bring the grain from the West to navigable waters; if its purpose is to bring the grain to a point where it can get from the cars into the steamers, that purpose is accomplished the moment the road reaches Montreal. Why, then, should the road go to Quebec? For no purpose at all, but, in the face of their supporters from the province of Quebec, hon. gentlemen opposite do not dare to say that the road should not be built to Quebec. But why let the road go to Quebec when its purpose is accomplished when it reaches Montreal? If hon. gentlemen contend that the road is not to go further than Quebec; if the purpose, as has been pointed out, is to create a transportation route via Cochrane to the city of Toronto and to open up a canal system so that the traffic which is now going through Montreal will go through Toronto, the logical conclusion at which we must arrive is that there will be no further necessity for building the road east of Cochrane; that Toronto should be made the central point of the route and that the rest of the road should be dropped. No road has ever been built on this continent on such a high standard as the Transcontinental, and that being the case we cannot compare the cost with that of any other road built in Canada or the United States. It is all very well to

say: you could have saved money by building wooden bridges; you could have saved money by having steeper grades; you could have saved money by having sharper curves. Of course you could. That reminds me of an advertisement of a milk seller which I saw in a newspaper some time ago; 'you can buy milk cheaper here, but it will be cheaper milk.' You could certainly build the road cheaper, but it would be a cheaper road. It would not be the kind of road we want; it would not be the road that would suit the circumstances and necessities of the provinces of New Brunswick Nova Scotia, Prince Edward Island, and, indeed, Canada at large. What is the purpose of the road? I have read from the statutes that the purpose is to connect the West with the East and to develop our seaports. If this road is not built in a way that will make it superior to every other road and, by the completeness of its equipment and the nature of its grades, overcome differences in distance, it will not accomplish the purpose for which we have built it. It has been pointed out that there is a difference of at least one hundred or possibly one hundred and fifty miles in favour of Portland for traffic coming from the West. If we built a road of the same capacity and the same grades as the roads that are now going to Portland, why should we think that men who are routing grain from the West are going to route it to St. John and Halifax when they have the opportunity of routing it by the shorter and cheaper route to Portland? It is out of the question. Our only opportunity of competing for that trade and keeping it within Canadian lines is to have a better road. If we have a better road we can afford to run the trains faster, and we can afford to give cheaper rates. These are the things we are looking for, and these are the things we hope to accomplish by the building of this road. We are told, forsooth, that something which we thought would cost one dollar is going to cost three. Are we going to stop because of that? Is that the capacity of Canadianism, the capacity of the Government of this country? Because we find that a thing that is going to make a great commercial country of this Canada of ours will cost three dollars instead of one, are we going to stop there, throw up our hands, say we cannot do it, and allow this traffic to go through a foreign country? The statement that we should have only one road going into the province of Nova Scotia and into the province of New Brunswick is simply absurd. If it takes three great transcontinental railways to carry the present traffic, how are we to get that traffic to the seaports of the Maritime provinces with one road, badly built, not in the proper place, with bad curves and bad grades? The Intercolonial was never made to pay properly; the fault must be somewhere, and when it cannot handle the present traffic, how can we hope that it will carry the traffic of the West, its grain and other great commodities, to the cities of Halifax, Sydney, North Sydney, Louisburg, and other cities that are waiting for that traffic? If three or four railroads are necessary to carry the traffic across the continent to Montreal or Quebec, it is the greatest possible absurdity to suppose that one poor railroad is going to handle it from Quebec to St. John, Halifax or farther east, where we hope it will come when the greater development takes place. Traffic is something like a river that runs down from the glens and hillsides; it begins small, but as it flows towards the sea it gets bigger and bigger and only reaches its full volume when it enters the larger body of water. The same thing is true of traffic; it begins small, and as it goes on towards the great seaboards it gets bigger and bigger, and it requires better roads and better facilities to handle it. That being the case, if we hope to send to the ports of St. John, Halifax, Sydney, North Sydney, Louisburg and the other great ports of the Atlantic seaboard the great traffic which is being handled by the Canadian Pacific Railway Company, the Grand Trunk Railway Company and the Canadian Northern railway, which is getting bigger as it comes east, we must provide sufficient facilities to handle it.

For that reason I submit that it is no answer to the question to say that we are going to handle the whole trade by the Intercolonial. It cannot be done, and it was to overcome that difficulty that this project was launched and is being carried forward. For that reason it receives the support and sympathy, beyond question, of the Canadian people, and particularly of the people of the Maritime provinces. I watched with interest the speech of the hon. gentleman who preceded me, but he has not once said that he was opposed to the building of this road through New Brunswick and to the port of St. John. He simply said that he stood by the position which he took in 1903 and 1904 when this question was being discussed in the

House. We did not hear what that was, he may have been opposed to certain conditions, but I am not aware that he ever took the broad ground that he was altogether against the building of that road. What does the Prime Minister think of his Solicitor General, in view of the fact that the Prime Minister himself was in favour of the building of this road, not only from the West to Montreal and Quebec but into the Maritime provinces, and particularly to Halifax and St. John. He says he was in favour of its construction, and yet the Solicitor General, who was put forward the other night as the great champion of the Government, says that the whole thing is a pyramid of folly. He pays his leader, who was in favour of the building of this road, the great tribute of saying that his leader was supporting a pyramid of folly.

I would like to hear the Solicitor General or any other man, from the Maritime provinces or from this House, going to tell the people of the provinces of Nova Scotia, New Brunswick, and Prince Edward Island that the building of this road, which is likely to give them the proper connections which they have looked for for years and which is going to bring to these great ports on the Atlantic the influx of trade and business that we have expected, that the stream of trade is to be cut short at the Quebec bridge or at Cochrane, and that we need not hope to receive in the future any of the great advantages which we have hoped for. We must yet enjoy these advantages, as neither this nor any other government would dare to go back on the promises made to the people in the past, and to dash the hopes raised by the building of this road. As I have said, it is no answer to say this is costing too much, if the money is properly spent, if we have value in the road, if the proper bridges are put in. Steel bridges are more expensive than wooden, but when they are built we have steel and not wooden bridges. Low grades are more expensive than higher grades, but when we have them we have the right kind of a road, a road that is going to pay and answer the purpose with which we started out. When the people have value for their money, they have nothing to complain of, and I am sure that they will not complain. We heard a good deal from our friends opposite a few years ago, during the last election particularly, about the trade of this country going north and south and not east and west. We were to keep our trade in our own lines, within our own borders; but what is the legitimate outcome of the theory that is now being put forward? If they degrade the road from Cochrane down to Quebec, smash it up so that it will be of no use, make its curves so sharp, its grades so bad and everything in connection with it of so low a standard that it will be incapable of carrying out the project we have in view, where will the traffic go? It is bound to go where the old Grand Trunk traffic always went, instead of going east and west to the extreme limits of Canada as it ought to go and we hoped it would go, it will be cut off at Cochrane or Quebec, and then this Tory theory and alleged Tory patriotism of bringing the traffic to the extreme end of Canada in the east will be of no more service, for we hear from our friends opposite that there is no intention and never was any intention of putting this road in commission beyond the Quebec bridge and that it is a pyramid of folly, as has been said by the Solicitor General who is, I suppose, voicing to some extent the ideas of the Government of which he is, if not a member, a very close ally. I wish to point out, as a Maritime province man, that the Intercolonial has never answered the purpose for which it is said to have been built. The Intercolonial railway is a part of the terms of Confederation. It was built for the purpose of creating traffic and trade between the Maritime provinces and Canada, as Canada was known at that time It was supposed that the Intercolonial railway would carry our fish, our agricultural products, and our coal to the markets of Montreal, Toronto and other western points. That was the purpose the Intercolonial railway was supposed to serve, but it was built in such a way, with such poor gradients, that that purpose was never accomplished, that trade was never created, and for that reason we were never satisfied that the terms of Confederation were fully carried out in that connection. Now, after a wait of forty-five years, we thought that this new road, would fulfil the conditions under which the provinces down by the sea had entered Confederation. But it appears that if hon. gentlemen opposite have their way that hope will also be blasted and we will not have our expectations in that regard fulfilled. At present there is no great traffic from the west going further east than St. John and Halifax, but we are only at the commencement of the development of our

trade, we have not reached even ten or twenty per cent of the great development of this country. We have magnificent harbours on our Atlantic coast, such as Halifax, St. John, Sydney and Louisburg. Right in the island of Cape Breton we have six magnificent harbours. We expect that when the full fruition of this undertaking is obtained, when the traffic of the West is in full blast, these ports, the ancient port of Louisburg and the magnificent harbours of Sydney and North Sydney, will receive their share of this traffic. We have the right to expect that our magnificent fish and our other products such as iron and steel will go to the West on this road that will carry cheaper and better than any facilities we have had up to this time. That being the case we have always looked forward to the completion of this road up to the high standard which was set at the beginning and which I am sure will be carried forward to the end.

The Government and hon. gentlemen here representing the Government to-day may think that the appointment of this commission is a mere trifle, that they can appoint any kind of a commission they want and can put in their mouths any kind of a report. How is this commission appointed? It is not a haphazard affair, its appointment is based upon a statute of this country. Is it appointed by any one of the ministers? I do not think so. The commission is appointed as the representative of the Crown according to chapter 104 of the Revised Statutes of Canada:

> The Governor in Council may, whenever he deems it expedient, cause inquiry to be made into and concerning any matter connected with the good government of Canada, of the conduct of any part of the public business therof.

The Crown is called in. The Governor General appoints a commission but of course he has no responsibility. He takes the names of the men submitted to him and the responsibility rests directly on the Government. In 1912 that chapter was amended by the Government of to-day as can be seen by chapter 28 of the Acts of that year. I submit that the report that the commissioners sent here is absolutely illegal, absolutely improper, and absolutely in violation of the law put upon the statute books by this Government. The hon. member for North Ontario (Mr. S. Sharpe) specifically stated last night that there was a question of forgery in connection with this matter. It is very plainly hinted by the commissioners who committed that forgery. They hint that there was wrongdoing by some persons. When they find that somebody is guilty of wrongdoing or suspected of wrongdoing, what are they called on to do? Chapter 28 of the Acts of 1912 says that if anything is discovered in the course of the inquiry which requires further investigation or which brings a charge home to somebody,

> the commissioners may allow any person whose conduct is being investigated under this Act, and shall allow any person against whom any charge is made in the course of such investigation, to be represented by counsel.

Then follows the important part:

> No report shall be made against any person until reasonable notice shall have been given to him of the charge of misconduct alleged against him and he shall have been allowed full opportunity to be heard in person or by counsel.

That is the law placed upon the statute books by the Government of to-day. The report before us simply bristles with charges of this kind, charges of theft, of squandering and fraud of every kind. Who could listen to the speech of the hon. gentleman from Kings and Albert (Mr. Fowler) to-night and not believe that hundreds of cases of wrongdoing had been discovered by this commission. The very chapter under which these commissioners were acting says that if charges were discovered the persons charged must be brought before the tribunal to answer the charges. The chapter says further:

> No report shall be made against anybody until the law is complied with fully.

I submit that this commission did not follow the terms of the Act under which they were appointed, and that they have made slanderous reports and charges against citizens of this country without giving them any opportunity of answering the charges made against them. I spoke of Mr. Cahan a moment ago. He describes himself as a Tory of the Tories, a strong follower of the leader of the Government and an associate of his in politics. He surely would not raise the hand of rebellion against the Government unless he had the strongest provocation. He evidently knew of this statute and of the power under which the commissioners were acting. Speaking in the city of Montreal a few days ago in regard to this matter, he said that the whole thing was ridiculous and absurd, that it was no better than an ex-parte trial before a magistrate. That is the kind of investigation upon which thousands of reputations are to be blasted in this country. That is the kind of report which the Government is spreading broadcast throughout the country. I have

not heard anybody on the opposite side expressing their opinion of Mr. Cahan in connection with this matter. He is a keen lawyer, a man who has practised his profession in Nova Scotia for many years. He was picked out by the leader of the Government and made his candidate in the county of Cumberland. Mr. Cahan was then leader of the Conservative party in the province of Nova Scotia. Hon. gentlemen opposite cannot say that he is a biased witness or that he is in sympathy with the Liberals. They are forced to say that the Tory party are not playing fair, that they are not only slandering their opponents but disgracing the country, and I believe people outside the bounds of Canada will be likely to take Canada at its own value. This report has done more harm to the Dominion of Canada than can ever be remedied by any action the Government might take. If any person belonging to the party to which I belong, if any Liberal in Canada had said what Mr. Cahan has said, I would not have mentioned it, because I should have been told: What else could you expect? But Mr. Cahan is a Tory of the Tories. Outside of members of the Government I do not know any man in Canada who is more closely allied with or more prominent in the counsels of the party in power to-day than the gentleman I am talking about. I say that seriously, this man, without any hesitation, declares that this thing is farcical and entirely unworthy of any party or of any Government. That is the evidence of their own friends, which cannot be contradicted.

I said a moment ago that the Government was responsible for appointing these men. The moment they appoint commissioners of this kind, what happens? They are bringing the Governor General and the Crown into the maelstrom of politics in this country, because the Governor General is supposed to appoint them. He is supposed to receive their report and to act upon it. What should be the attitude of the Government in appointing men of this kind? The Government should have appointed men against whom even the suspicion of bias could not rest. I am pleased to see the Minister of Justice in his place; he is an eminent jurist and a good lawyer; he knows from his past experience at the Bar and on the Bench that no decision could stand if the author of that decision was even suspected of the possibility of bias. It was stated in this House a few days ago that Mr. Lynch-Staunton said about this report, that he was delighted that Providence had put in his way the opportunity, and that it did his Tory heart good to strike a blow at the Liberal party in Canada. His heart was well known to the Government before they appointed him, and yet that is the kind of man they submitted to the Governor General as an unbiased commissioner, to advise him on an important matter. It is rather painful to have to say anything about Mr. Gutelius at all; it is simply a repetition of the old play, Bunty pulls the strings. Bunty Lynch-Staunton pulls the strings and Gutelius jumps every time. If he should happen to lag behind, Lynch-Staunton would immediately tell him: Look at your $20,000 a year; you have got to earn it, if you do not follow me and jump whenever I pull the strings, I am close to the Government, I have a Tory heart, and I will tell them you are not what they thought you were, and you will have to get out of your job. I do not think there is any jump too high for Mr. Gutelius to take.

This was nothing but a hand-picked commission of biased, prejudiced men, with preconceived opinions as to the report they were going to make. And Mr. Lynch-Staunton, given to the Governor-General as an unbiased commissioner, when he heard part of the evidence as a judge, came off the Bench, appeared as counsel, gave an opinion to himself in writing, and I suppose he was paid for the opinion over and above the $63,000. Was such an absurdity ever before heard of?

An hon. MEMBER: And taxed his own Bill.

Mr. McKENZIE: And taxed his own Bill, of course. Imagine two magistrates sitting as a court, and after half the evidence had been heard, one of them jumping off the Bench and pleading before the other for the rest of the day, and cross-examining witnesses, and then jumping on the Bench again and rendering a decision. Lynch-Staunton pulls the string and Gutelius sits on the Bench, and Lynch-Staunton gets off and makes a speech to his colleague, and lays down the law for him, and then jumps on the Bench again and the two of them render a decision, and that decision is handed down to the people of Canada as something that is without the slightest taint, and as an unbiased decision in every way. If there was nothing else to condemn

this report but that absurdity, it would be enough. It is true that the legal opinion given by Mr. Lynch-Staunton was bad, but nevertheless it was given. I point out that an opinion in contradiction of it was given by the present Minister of Justice, by the Deputy Minister of Justice, by the ex-Minister of Justice, and by a score of other able lawyers in Canada, but notwithstanding, Mr. Lynch-Staunton says: I know what I am doing, I have a greater regard for the opinion of Lynch-Staunton than I have for the opinion of all the ministers of justice who ever appeared in Canada, and I will so report to His Royal Highness the Governor General. I submit to the Minister of Justice that when he is paying this man he will at least make some deduction on whatever he charges for the bad legal opinions he has been guilty of.

These two gentlemen, as I have said, wrote this prize essay condemning the Government, and they got their $63,000, and how they divided it between them I do not know. I suppose there was some allowance made for Mr. Lynch-Staunton appearing before the court and advising himself, and possibly there was some allowance made because of part of the time Mr. Gutelius was otherwise drawing $20,000 a year, but I have no doubt these very able gentlemen were able to strike an average. I am a poor man, Mr. Speaker, but I do not begrudge these gentlemen their prize money of $63,000, nor the easily earned money of $20,000 a year which goes to Mr. Gutelius. I would not be surprised if some day we saw them coming back and doing something, like what was done by a gentleman of ancient history. We know about a certain man who took thirty pieces of silver, which, I suppose, was quite a lot of money in those days, and he thought he was doing a good stroke of business, but the results were bad, and he came back and he threw down the thirty pieces of silver and he went off to his proper place. I would not be surprised to see Mr. Lynch-Staunton coming along some day, with Mr. Gutelius behind him on a string, and saying to the Government: here is your cursed $63,000; we earned it with blood, but I never have had a happy day since I took it, and here is the cursed thing for you. I wonder if his masters will give him the same answer as did the masters of the poor miserable fellow who took the thirty pieces of silver. Their answer was: what is that to us; you have served our purpose, you have sold your soul, your manhood, and your credit, take away your money, our hands are clean. I would not say that they are very clean. That is the kind of commission, the kind of court, the kind of outfit with which they are going to blast the credit of Sir Wilfrid Laurier, the great chieftain of the Liberal party and the Liberal party itself. That is the kind of commission, the kind of court, the kind of outfit by which they hope to carry out their old spite against this great enterprise which has defeated them so often and which, if they tamper with it, will defeat them again.

11 p.m.

I submit that the addresses already made by hon. gentlemen in this House have been of such a character that this report is shattered, is smashed beyond recognition. There is not enough of it left and there was not enough of it left after the hon. member for South Renfrew (Mr. Graham) spoke, upon which to hold an inquest, not enough left upon which to hold a post mortem, nothing left to bury; but we have been dealing with it and it is vanishing into thin air. Let me wind up as to what we propose to do with it now and hereafter along the lines of the sea captain who received a telegram stating that his mother-in-law was dead. He was asked: Will we embalm her, or will we bury her or will we cremate her? He sent the word flashing over the wires: Embalm her; bury her; cremate her; take no chances. That is the way in which we are going to deal with Messrs. Gutelius and Staunton. We will take no chances on this thing. We will embalm them; we will bury them; we will cremate them, and we will do everything necessary to put them clean and for ever out of existence. I was speaking a moment ago about the implements which this Government were using in trying to bring disrepute upon their opponents. Those implements remind me that any Government which is capable of using these implements is capable of going back to ancient days and using those implements of the wild Indians, the torch, the tomahawk and the scalping knife.

On motion of Mr. Nesbitt, the debate was adjourned.

On motion of Mr. Rogers, the House adjourned at 11.10 p.m.

Thursday, April 2, 1914.

The House met at Three o'clock, the Speaker in the Chair.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

POLITICAL PARTISANSHIP COMMISSIONERS.

Mr. BOURASSA:

1. Have Messrs. L. Omer Beaulieu, Ste. Foye Belleau, J. P. Jolicœur, Chas. Smith, E. H. Cimon and Emile Galley, advocates of the city of Quebec, acted since the 31st of March, 1913, as Government commissioners, to inquire whether public employees had to be dismissed for political partisanship or for any other reason?

2. Who among the above named have acted as commissioners for such purposes?

3. What investigations have been held by them or any of them, where, at what date and regarding what employee?

4. What amounts have been paid since the 31st of March, 1913, to each of them in salary or expenses?

Mr. PELLETIER:

1. No.

2 and 3. Answered by No. 1.

4. Post office: Mr. J. P. Jolicoeur reported on charges of partisanship against the postmaster at Guay, Quebec, under date the 24th March, 1913, but his account for this investigation, amounting to $103, was not paid until the 9th April, 1913. Mr. Ste Foye Belleau reported on charges of partisanship against the postmaster at Blandford, Quebec, under date the 12th February, 1913, but his account for this investigation, amounting to $37, was not paid until the 3rd April, 1913.

Public Works: The sum of $660.98 was paid to Charles Smith, Esq., Quebec, on the 30th April, 1913, but in connection with an investigation held in 1912.

INTERCOLONIAL RAILWAY EARNINGS.

Mr. MACDONALD:

What were the gross earnings during the period from April 1 to December 31, 1913, on the following divisions, respectively, of the Intercolonial railway: Halifax to Moncton; Sydney to Oxford and to Truro; Moncton to Campbellton; Campbellton to Rivière du Loup, and Rivière du Loup to Ste. Rosalie?

Mr. REID:

Division	1913 October Earnings	1913 November Earnings	1913 December Earnings	1914 January Earnings	Total Earnings
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Montreal & Ste. Flavie.....	419,431 82	385,451 50	393,996 03	309,165 95	1,508,045 30
Ste. Flavie & Moncton...	223,891 85	233,406 63	232,559 02	181,228 01	871,085 51
St. John & Halifax.....	290,013 18	282,291 67	313,669 29	259,667 44	1,145,641 58
Sydney & Truro & Oxford Bch.	181,092 22	146,838 14	153,945 71	130,261 40	612,137 47
	1,114,429 07	1,047,987 94	1,094,170 05	880,322 80	4,136,909 86

PURE BRED LIVE STOCK.

Mr. LAW:

1. Is W. H. Corning, Chegoggin, N.S., a representative of the Department of Agriculture, live stock branch, to purchase pure bred animals in Yarmouth county, N.S.?

2. If not, who has been appointed as his successor?

3. What is the maximum price allowed by the department for each of the following animals respectively,—boars, rams, stallions and bulls?

Mr. BURRELL:

1. No. Mr. Corning's connection with the live stock branch was of a temporary nature, he having been authorized to purchase boars and rams for distribution in the Maritime provinces last fall. No boars or rams are being purchased and distributed at the present time.

2. Mr. Corning's appointment having been of a temporary nature only, his connection with the Department of Agriculture terminated with the completion of the work last fall. There can, therefore, be no question regarding the appointment of a successor. No further distribution of boars or rams will be undertaken until the coming fall. A distribution of stallions and bulls will be carried out this spring, but, in point of fact, no instructions have, as yet, been issued regarding the purchase of pure bred sires in the Maritime provinces.

3. The maximum price authorized by the department for boars, rams, stallions and bulls, is as noted below:

	Eastern Canada.	Western Canada.
Stallions	$575	$600
Bulls	140	160
Boars	25	40
Rams	25	35

The prices noted for stallions and bulls are authorized in connection with the purchase during 1914. The prices noted in the case of rams and boars were authorized in connection with the purchase during 1913. The prices to be allowed for rams and boars for distribution during 1914 have not yet been decided upon.

YARMOUTH HARBOUR DREDGING.

Mr. LAW:

1. How many tenders for dredging at Yarmouth harbour were received in 1913?
2. On what dates were the tenders received?
3. Who are the persons or companies tendering and what were the prices asked by each tenderer?
4. Have deposits made by the tenderers been returned?

Mr. ROGERS:

1. Six.
2. September 4, 1913.
3.

	Class 'A' per cu. yd.	Class 'B' per cu.yd.
	$	Cts.
W. J. Poupore Co., Ltd.—		
Outer and inner harbours	10 00	17½
Reduced to	6 00	
Maritime Dredging and Construction Co., Ltd.—		
Outer harbour	17 50	39½
Inner harbour	6 90	22½
Coastal Dredging and Construction Co., Ltd.—		
Outer harbour	14 00	56
Inner harbour	3 00	24
Boulders	2 50	
Halifax Dredging Co., Ltd.—		
Outer harbour	2 75	56
Inner harbour	2 75	26
Beaver Dredging Co.—		
Outer harbour	4 90	47½
Inner harbour	.....	28½
Northern Dredging and Construction Co., Ltd.	8 50	24½

4. Yes.

SHERBROOKE-SUNNY BRAE MAIL SERVICE.

Mr. SINCLAIR:

1. When was the latest contract made for carrying the mails between Sherbrooke, N.S., and Sunny Brae?
2. Who is the present contractor?
3. What is the contract rate?
4. Were tenders asked for?
5. If so, what are the names of all parties who tendered, and the amount of each tender?

Mr. PELLETIER:

1. 1st July, 1913.
2. J. S. Cameron.
3. $1,100 per annum.

4 and 5. The previous contract expired on June 30, 1913, and, as the price was reasonable for a tri-weekly service of 90 miles per trip and the inspector having reported the service as being satisfactorily performed, the contract was renewed without inviting tenders.

TADOUSAC WHARF.

*Mr. LEMIEUX:

1. Who was the contractor for the construction of the wharf at Tadousac, Quebec?
2. What was the amount of the contract?
3. Has the contractor been paid in full?
4. Has the Department of Public Works retained a percentage out of the contract price for claims against the contractor? If so, what was the percentage?
5. Have any of the claimants been paid by the department?
6. Is it the intention of the department to pay the respective claims of Charles Grenon and Thomas Louis Villeneuve, who, as alleged, both furnished timber to the contractor and have not yet been paid?

Mr. ROGERS:

1. Napoleon Warren of Chicoutimi.
2. $31,795.
3. Yes, contract earnings paid in full.
4. The department retained $4,737.64 out of the contractor's security deposit, in order to protect the claims filed against him.
5. A number of claims, after having been proved and admitted by the contractor, have been paid. Payment of others is proceeding as they are proved from time to time.
6. The amount remaining in the hands of the department may not be found to be sufficient to pay all claims in full but these claimants will receive payment, proportionately, to the other claimants.

MILITIA EXPENDITURES.

Mr. PARDEE:

What has been the total militia expenditures for each year since the year 1896?

Mr. HUGHES:

1896-97	$2,478,179
1897-98	1,746,731
1898-99	2,561,056
1899-1900	3,684,294
1900-01	3,168,717
1901-02	2,669,038
1902-03	2,587,476
1903-04	3,603,715
1904-05	4,012,742
1905-06	5,664,193
1906-07	4,377,309
1907-08	6,871,397
1908-09	6,578,574
1909-10	6,120,877
1910-11	7,009,822

1911-12.. 7,729,948
1912-13.. 10,272,759

These figures include civil government salaries, &c., and expenditure for aid to civil power, but not pensions.

RIMOUSKI HARBOUR.

*Mr. GAUVREAU:

1. Who were the tenderers for the improvement at the harbour of Rimouski, and what is the amount of each tender?
2. Who designed the plans and specifications?
3. Who gave the approximate cost of the work and prepared the estimates thereof?
4. What is the estimated cost of such work, as submitted to the department by the local engineer?

Mr. ROGERS:

1. Scow measurement: Paul Raymond and Jos. O. Talbot, $334,250; O'Brien and Doherty, $497,801.80. Place measurement: Raymond and Talbot, $355,445.50; O'Brien and Doherty, $501,023.40.

2 and 3. Mr. J. A. Tremblay (then district engineer).

4. $361,144.

THE AURORA MENACE.

Mr. KNOWLES:

1. Has the Aurora Menace, published at Aurora, Missouri, been prohibited from the Canadian mails?
2. If so, when did such prohibition take effect?
3. For what length of time is said prohibition?
4. What were the reasons for same?

Mr. PELLETIER:

1. Yes.
2. February 23, 1914.
3. Indefinitely.
4. The reasons are given in a memorandum from the deputy minister, in which the minister concurs, and which reads as follows:

Ottawa, March 30, 1914.

Memorandum for Postmaster General:

The Postmaster General is informed, in reference to the inquiry made about the prohibition from transmission by post in Canada of The Menace, a weekly paper published at Aurora, Missouri, that this paper has been barred by the department from transmission through the Canadian mails, and that an authorization to establish a similar one in Aurora, Ont., has been refused.

Under the law, as you know, the Postmaster General has power to make regulations for prohibiting the sending by post of anything indecent, obscene, immoral or scurrilous, and this power is set forth in section 178 of the Postal Guide, based on the law, where instructions are given that matter posted contrary to this prohibition is to be stopped and sent to the Dead Letter Office, Ottawa. The practice of the department when matter is submitted to it by the public as coming under the provisions of the Post Office Act is to carefully examine the publication submitted and in the event of it being considered as violating the law, to advise the service generally that such matter is prohibited transmission by post. This was done in the case of The Menace, a United States publication, published weekly at Aurora, Missouri, which was coming to Canada.

An examination of The Menace revealed the fact that most of the contents of this paper was certainly objectionable.

As an illustration, I will quote a few items which are to be found in this paper:

'Resolved that the Roman Catholic priesthood is a lecherous bunch of White Slavers.'

'One-third of the priests are rotten; one-third are bad, and the other third will stand watching.'

'Bishops and priests in Canada are genuine White Slavers.'

'The Catholic religion controlling state, home, church and schools in furtherance of ignorance and superstition in order to continue the power of the Pope and priest and their prostitution-creating system of bachelor priests, nuns and the confessional.'

'Though very religious, their lives are rotten to the core. They seem to be born liars, devoid of character, and knowing no shame; and why should it not be thus when the priests (so-called spiritual leaders) are men of corruption living lives of dissipation and crime.'

'I was quietly informed that one of the prominent lawyers of our town has 23 children from 23 different mothers. The other day I went to see and talk with a neighbour and found there five children. I was told on inquiring as to their father and mother that they all had the same father but each had a different mother. These are only two examples and the country is just full of such. The priests are as bad; they set the example. Who can blame the people.'

'The priests spend a good deal of their time in the parochial schools making love to the pretty young Sisters, whilst the rest of their time is spent in mumbling Latin offices, drinking wine or whisky-punch, and making merry on the fat of the land.'

'There were convents, Burnett tells us, where all the religious were pregnant.'

'If everything is straight inside their wall why this seclusion, the high fences and closed doors and barred windows. Why these persistent reports of oppression, cruelty and immoralities going on inside their walls. Nunneries, as we have heretofore shown, were established originally to house women who had 'consecrated' themselves as sacred prostitutes to the deity they worshipped.'

Some of the headings of articles read as follows:

'Priests, Publicans, Politicians, Prostitutes.'

'Papal abduction of women for nuns.'

To show you how some well meaning people may be led into hatred and contempt of their own fellow-citizens and fellow-countrymen, I beg to quote from a strong letter of protest received by the department in this matter and written by a man, who, having been a reader of the The Menace, gives us an outline of the general tenor of the articles in The Menace, as he understands them. Amongst other things, here is what he says approvingly of the gen-

eral lines of controversy which this paper has adopted:

'The Menace says the Roman Catholic hierarchy, its priests, popes, cardinals and bishops are the most corrupt, cruel, vicious reprobates, without exception, that ever walked the earth. It says they inveigle innocent girlhood and womanhood into the secluded barred convents to become brides of Christ, but when the final vow has been taken which forever shuts these deluded innocents out from the beautiful sunlight of heaven, the kindly protection of the father and mother and sympathic fellowship of friends and neighbours, they find themselves not the brides of Christ but the victims of the lust and embraces of fathers and priests of holy Rome.'

This man adds that he feels confident that all this is true and concludes that consequently The Menace should be allowed transmission through the mails.

However, it seems that the above quotations and many others which could be given, because The Menace does not publish any news as an ordinary newspaper does, but devotes almost its entire space to this sort of stuff, makes it quite plain that this paper comes within the law prohibiting the transmission of indecent, obscene, immoral or scurrilous literature.

Any paper discussing religion in an abstract way is responsible for its own opinions, and we do not in any way interfere with such papers. Men may be Protestant or Catholic in the extreme, and may hold their view in the extreme and give pronounced expression to them in a most extreme way, and the department would not interfere at all, but when personal abuse reflecting on the honour and chastity of women and clergy of any denomination as a whole is indulged in, or when women of a certain faith are reflected on as has been done in The Menace, then this department understands it as its duty not to allow such things to pass through the mails. This is a law which the department has followed in the past and intends to follow in the future. It has been and will be applied impartially to all papers, Protestant or Catholic, which may indulge in such things. If any Catholic paper had indulged or should indulge in such reflections as have been indulged in by The Menace most certainly its privileges of the mails would have been or would be cut off at once, and when this case was brought to the attention of the department and the columns of the paper examined, the statements contained therein were found to be so scurrilous, so abusive and derogatory to a great many of the people of our country that there was nothing for the department to do but to live up to the law and abolish this paper from the privileges of the mails.

Under section 209 of the Criminal Code, any one is guilty of an indictable offence and liable to two years imprisonment who posts anything of an obscene, immoral, indecent or scurrilous character. This, however, is not a matter for the enforcement by this department, and therefore the department has simply contented itself with acting within its powers as regards matter circulating through the mails. I have not the least doubt, however, that did any person choose to make this a personal matter, and take it up under the Criminal Code, the editor of the paper, were it not for the fact that he is a foreigner and a non-resident of Canada, would be subject to the penalties of the Criminal Code.

R. M. Coulter,
Deputy Postmaster General.

Mr. KNOWLES:

1. Has the Aurora Menace, published at Aurora, Ont., been prohibited from the Canadian mails?
2. If so, when did such prohibition take effect?
3. For what length of time is said prohibition?
4. What were the reasons for same?

Mr. PELLETIER:

An authorization to publish in Aurora, Ontario, the same paper referred to in the preceding question has been refused for the same reasons.

HOMESTEAD REGULATIONS.

Mr. KNOWLES:

1. Did the Minister of the Interior announce at Medicine Hat during the month of August, 1913, that he intended to change the homestead regulations so that homesteaders on land not well adapted to grain raising, or on land difficult to cultivate, might have the option of substitution of ownership of a given number of cattle for the required acreage of breaking at present required?
2. If so, has any change yet been effected?
3. If such change has not yet been effected, is it the intention of the minister to make such change? If so, when?

Mr. ROCHE:

1. The Minister of the Interior stated at Medicine Hat on the occasion of his visit to that city in August, 1913, that it was his intention to propose a change in the Dominion Lands Act, so as to substitute stock raising in lieu of grain raising on land not suited for agriculture.

2 and 3. A Bill is now before Parliament for this purpose.

UNOPPOSED AND UNDISCUSSED MOTION.

Mr. Carroll.—For a return showing: how many certificates for promotion have been asked from the Civil Service Commissioners since the 31st March, 1913; how many of such certificates have been refused, and to whom; and the reasons given in each case for such refusal.

EASTER ADJOURNMENT.

Hon. R. L. BORDEN moved:

That when this House adjourns on Wednesday next the 8th April, it do stand adjourned until Tuesday the 14th April.

Mr. MACDONALD: As it is impossible for many members who live at long distances from Ottawa to reach Ottawa on Tuesday by leaving their homes on Monday, I would suggest that the day of re-

assembling should be Wednesday instead of Tuesday.

Mr. BORDEN: If we postpone the resumption of work it means another day or perhaps more at the end of the session. However, if it would be a very great convenience to some hon. gentlemen living at a distance, I personally would have no decided objection and would move to amend the motion accordingly.

Mr. OLIVER: I would support the suggestion of the hon. member for Pictou. When it takes a member two or three days to go or to return from his home, it is not worth while making the journey unless he has a day or two at home.

Motion, so amended, agreed to.

POSTAGE ON ENGLISH MAGAZINES.

On the Orders of the Day being called:

Mr. LEMIEUX: Is there any truth in the statement in the press that the postal regulations as to English magazines and newspapers are to be changed? I see that the statement is attributed to my hon. friend the Postmaster General that the regulations have been done away with, but I read in the Herald of last night a cablegram purporting to give denial of that statement on behalf of Mr. Farnell, secretary of the Post Office Department in England. What truth is there in that statement?

Mr. PELLETIER: During the last three years English magazines have been sent to this country, and the British post office has collected a postage of one penny, or two cents, on each magazine. The time limit fixed in that arrangement expired about twelve months ago. It has been continued since for periods of three months each. The British post office has been asked to make some other arrangement, but they have not yet done so. The period of the last extension has not yet expired and, as Mr. Farnell states, the matter is now being negotiated.

NATURALIZATION ACT AMENDMENT.

On the Orders of the Day being called:

Mr. MACDONALD: From a return relative to the amendment of the Naturalization Act, I find that the Department of Justice of Canada and the home authorities have practically agreed upon the terms of a Bill which will carry into effect imperial naturalization, not only in Canada but throughout the empire. I notice by the press that a Bill embodying this principle has passed the House of Lords and that its passage through the House of Commons will be facilitated. Does the Minister of Justice propose to introduce the Bill referred to in this Parliament during this session?

Mr. DOHERTY: I expect to be able to introduce that Bill in a few days. It is now being prepared. While, of course, our Bill is based upon the Bill passed by the home Parliament, it will be necessary to make certain provisions of our own with regard to the method of granting naturalization in Canada.

THE NATIONAL TRANSCONTINENTAL RAILWAY.

Consideration of the proposed motion of Hon. W. T. White (Minister of Finance) for Committee of Supply, and the proposed amendment of Mr. Graham thereto, resumed from April 1.

Mr. HUGH GUTHRIE (South Wellington): Mr. Speaker, at this stage of the debate one would almost need to apologize for offering any further remarks in regard to the matter which has now been under discussion for one full week in this Chamber. I promise that my remarks shall be rather general than detailed, and that I shall present to the House my own view of the findings of the commission, formed after a very careful perusal of the report and of the exhibits and the evidence which accompany it. I shall do this in as fair and impartial a manner as I can.

I, for one, do not think that the Government made any mistake in appointing a Royal Commission to investigate the affairs of the National Transcontinental railway; nor do I think they made any mistake in giving to that commission the wide powers they gave it; I suppose it was appointed under chapter 104 of the Revised Statutes of Canada. Opinions in Canada since 1903 or 1904 have conflicted a good deal in regard to various matters concerning the construction of the National Transcontinental railway. Charges and counter charges were made in the House, in the press and throughout the country, particularly on the occasion of two heated general elections in Canada, one in 1904 and one in 1908. I do not think that in the general election of 1911 the question of the National Transcontinental railway played much of a part. When the present Administration took office they made no error in deciding that a Royal Commission should be ap-

pointed to investigate the affairs of the National Transcontinental railway. The initial mistake, the overmastering blunder which the Government did make was in its selection of the personnel of that commission. Had two or three individuals been selected in whose ability and non-partisanship the people of Canada had confidence, I doubt whether any discussion would have taken place in this House in regard to this report —at all events, there would have been little discussion. I do not believe that the Government or the Minister of Railways could have selected two men in whom the bulk of the people of Canada would have had less confidence in the matter of presenting an independent non-partisan report on the National Transcontinental railway. It was for the Government to choose the commissioners and in making the choice it did of Mr. George Lynch-Staunton, K.C., and of Mr. Gutelius, they made their initial blunder—a blunder that has shown itself in all the proceedings of that Commission down to the day the report was presented. The report is not the outcome of a judicial, independent, and non-partisan inquiry—exactly the reverse. I know Mr. Lynch-Staunton very well and esteem him very highly. I have met him in many cases and recognize his legal ability. I know that for the last six or seven years the Ontario Government has been his chief client. He has appeared on behalf of the Ontario Government before committees of this House time and again. He is a partisan from the beginning. As a campaigner at general elections, he is one of the most active men in the province of Ontario, never an election passes but Mr. Lynch-Staunton is to the fore in Western Ontario, in every little village where a number of Roman Catholic families happen to be gathered together you will find Mr. George Lynch-Staunton as a speaker.

Some hon. MEMBERS: Oh, oh.

Mr. GUTHRIE: That statement I know to be correct not only with regard to the riding which I have the honour to represent, but as regards the riding of my hon. friend from North Wellington (Mr. W. A. Clarke) and other ridings in western Ontario. Mr. Staunton took an active part in the election of 1904 when the transcontinental proposal was probably the chief question before the electors. It was during that campaign that my right hon. friend the Prime Minister announced that it was better to have a government-owned railway than a railway owned government, and I remember a very fine portrait of my right hon. friend with that quotation underneath. As I said, Mr. Staunton took an active part in that election and I have no doubt followed his leader in every respect. In the election of 1908 the Transcontinental was again the main issue though not the only one, and once more Mr. Staunton was one of the chief speakers of the Conservative party throughout western Ontario.

Mr. BURNHAM: Would my hon. friend allow me to ask a question? Does he consider that because he is a Liberal that fact disqualifies him from giving now, or at any other time, a judicial and impartial opinion on this question?

Mr. GUTHRIE: No, I do not think it does, for the reason that I am going to discuss the case solely upon the material which has been brought down by the commissioners. At the present time I am discussing the personnel of the commission. Following the election of 1908 there was not a great deal of discussion of this particular question. We drifted into trade and other matters until the change of Government in September, 1911. Very shortly after that, this Royal Commission was appointed. Mr. George Lynch-Staunton, fresh from the stump, with his preconceived ideas about the Transcontinental which he had heartily condemned, was appointed chairman of the commission to investigate the construction of that road. I submit that he was not a fit and proper man to place in that position. If he spoke what he believed in 1904 and 1908—I am sure he did—he never believed in the National Transcontinental railway and he never believed that the eastern branch should be built. He was a prejudiced, biased commissioner from the first. I know little or nothing regarding Mr. Gutelius except what I have heard in the course of the debate, but I submit from what has transpired in the debate that we are bound to conclude that Mr. Gutelius was as greatly disqualified as was Mr. Staunton to act upon that commission, considering his preconceived notions and his record as a railroad man. There are some facts which are not controverted: he was an American railroad engineer; after coming to this country he was on the engineering staff of the Canadian Pacific railway for a number of years; later, he was made divisional superintendent somewhere in New Ontario, at North Bay, I think. There he came in contact with the Minister of Railways and Canals, and I have no doubt

that was their first meeting. He was taken under the wing of the Minister of Railways and Canals in regard to local politics in the province of Ontario. He was afterwards employed by the Minister of Railways, then a member of the Ontario Government, in connection with the Temiskaming and Northern Ontario railway. When the Hon. Frank Cochrane became Minister of Railways and Canals in this House he brought Mr. Gutelius along with him, intending to keep with him a man who had been so useful to him in the past and was likely to be as useful again in the future. Mr. Gutelius at present is filling a position worth, I believe, $20,000 a year. This prize has been dangling before his eyes for a long time, and at last he has landed it. A man occupying the position that Mr. Gutelius did should hardly have been appointed to a commission which was to investigate the Transcontinental, unless he was absolutely free from the influence of any minister of the Crown, and of all political parties. I do not take very much exception to the fees which were paid to Messrs. Gutelius and George Lynch-Staunton. If the work was done I do not know that they were overpaid, although I am one of those who believe that the result of their work is practically useless as an independent report of what has transpired with regard to the road. When that commission was appointed, I fancy the Minister of Railways and Canals knew his men pretty well. There are many eminent judges in Canada who might have acted on that commission, there are eminent engineers who might have been chosen on that commission, unbiased and free from partisanship of any kind. There are eminent engineers, eminent lawyers, eminent judges in other countries, in the United States for instance, where conditions are very much the same, who might have been employed. Independent, practical, thorough men could have been found by the Government without difficulty had the Government desired to find them. The Government made the initial blunder of appointing two men who were of the most partisan character, one counsel of the Ontario Government, and who for the last eight or ten years had condemned this railway and its construction; and the other a man who had an office of $20,000 a year dangling before him all the time under the Minister of Railways and Canals.

Under these circumstances, could you expect an independent, unbiased report? I submit you could not, and I submit to my right hon. friend that if, upon any non-political question, he was called on to appoint a commission to arrive at fair and just conclusions, he would not select the men who were selected in regard to the National Transcontinental railway. Had he selected his commissioners from amongst the judges of Canada, we on this side would have had nothing to complain of. Had he acted as the former Government did—and I have heard that criticised during the course of this debate—there would have been no cause of complaint. When a report was brought up in regard to the Civil Service by Mr. Courtenay and two others, and there was a clause referring to some fraudulent dealing by some branch of the Civil Service, what did the late Government do? They appointed Mr. Justice Cassels, judge of the Exchequer Court, to examine into the question. As soon as he was named I think all parties were satisfied that it would be a full, fair and impartial investigation. Why did the Minister of Railways and Canals not pursue such a course in the present instance? I cannot tell. I believe he knew or could assume what kind of a report he was going to get before his commissioners actually took office.

Now, there is a significant fact at the very beginning of the report which one must refer to. It is well known that the powers of the commissioners were very broad, and, as I submit, if the road is to be completed at the end of the present year, they should not have put in their report until it was completed, and this report should merely have been an interim report. While the powers of the commission were very broad, they have, themselves, limited the scope of their operations to the 1st October, 1911. In other words, all that they sought to investigate were the doings of the other fellows. What did the Liberal Government do in regard to the Transcontinental railway when they were in power? Under the Order in Council appointing them their duties were fuller than that, and they should still have been on the inquiry and remained on the inquiry until the end of the present year, when it is said the road will be completed. Who gave them instructions to stop at the end of the regime of the late Liberal Administration? It does not appear from the report. Did they take that upon themselves? I fancy they did;

that they thought they would look after what the Liberals had done and avoid what the succeeding Government has done without taking the advice of anybody on the subject at all, and without receiving any instructions. That thought came to them as the natural way of treating the affair. That showed the bias of their minds, and it is for that reason that I am pointing it out, and for that reason alone. The first clause in the report of the commissioners states that they only examined the work up to the first of October, 1911. What work did they examine? The surveys and preliminary work having been done, tenders were advertised for, but they were not advertised for until 1907. The first contracts were not let until 1907. The late Liberal Government was in power during the construction of that work during 1907, 1908, 1909, 1910 and a little over half of 1911. For the last two and a half years the work has been entirely in the hands of the commission appointed by the present Administration—four years or four and a half years under one Government and two and a half years under the other Government. Why, then, should not this commission have completed its work; why should it not have continued to the end of the present year and shown us what had been done by the Conservative Government, or by the commission appointed by the Conservative Government, after the first of October, 1911? They did not do so, however. They had no directions, as far as I know not to do so. I am not concerned so much with that as I am with the fact that acting upon their own motion, following the prejudice and bent of their own minds, they were only concerned with the other fellows, in order to find out if they could show anything in regard to them, and they were not concerned with the commission appointed by the present Government.

There are certain minor features in regard to the report which I propose to deal with, and deal with rather briefly, because the commissioners in their report have rather epitomized their views in the first few pages. In the first instance, they say that the late commissioners of the Transcontinental railway, who were appointed by the late Government, caused a loss of $8,800,000 in connection with the letting of contracts. The commissioners state that had there been no sub-letting of contracts that money would have been saved to the people of Canada. I ask any one in this House to go over that report as carefully as I have and find the facts and the evidence to support that finding. You can add up all the various amounts that they say represent undue and unnecessary profit and they make only between $6,000,000 and $6,500,000. But then, what they state to be inordinate profits and improper allowances only form what may be called a matter of opinion at the best. The commission finds that a great mistake was made in letting these contracts in too large bulk. Let us see how that figures out. We have covering 1,800 miles, twenty -one contracts, or an average of 85½ miles per contract. What they suggest is that contracts should have been let in blocks of fifty miles, and they say that if that course had been followed a great deal of money would have been saved. Would business men recognize the statement made by the commissioners as something they should act upon? Very often the cheapest way of letting a contract is en bloc, and then allowing the contractor to sub-let. That is the way in which a man will let a contract for his own store, offices, or house. There has to be some man of financial strength at the back of a large portion of the undertaking. If you let a contract in small blocks, you get a lot of small men in who have not the necessary financial strength; they at once go to the bank with the contract and ask the bank to finance them, and generally land in trouble before their contract is completed. What difference would there have been between letting these contracts at 85½ miles on an average, as they were let, and letting them at 50 miles as the commissioners think they should have been let? Not a fraction of a dollar would have been lost or saved to the people of Canada by adopting either method. The usual rule, whether in the building of one's own house, of a canal, of a railway, or of any great public work is that the contract goes to one contractor who sublets it to the various trades. The most homely illustration is the case of your own house. You let a contract for $5,000, to build your house, and immediately the stone and brickwork is sub-let to one man, the woodwork to another, the painting and glazing to another, the plumbing and wiring to another man, and so on all the way down. The principle is that each of these sub-contractors will make a profit, and that the main contractor will make a profit also. That is what the late commissioners did in regard to the Transcontinental railway, and that is precisely what the present Government is doing in regard

to the Welland canal and the Hudson Bay railway. It is also what the present Government will do in regard to the construction of the new departmental buildings. Sub-contractors, I believe, have already taken their sub-contracts in regard to the Welland canal. Was ever a railway, even a small one, built in Canada by a single contractor? I had to do with the building of a railway only sixteen miles long, which now forms a portion of the Canadian Pacific railway, and the contract was let to the firm of Booth and Company, well known contractors at that time, but three or four sub-contractors went in under Booth and Company, and then a second range of subcontractors were taken in to build that road. How would we have saved any money had we shortened the blocks of the Transcontinental railway to 50 miles and let each block to an independent contractor? Would not that contractor have had his profit? Certainly he would; he would have sublet his contract and the men who had the subcontracts would also have had their profits. There would be those two profits and there might be middlemen mixed up in the transaction, because every man who enters into a contract does so with the intention of making a profit out of it.

I have gone carefully over the twenty-one contracts let on the National Transcontinental railway; I have read the evidence in regard to them; and I have seen the commissioners' statement. There is practically no evidence with respect to the letting of these contracts which would justify the bald statement of the commissioners that, if some other plan had been adopted, $8,800,000 would have been saved to the people of this country. Any one with any business judgment or common sense, who examines that statement, will see that the commissioners have only made an estimate of the saving. The commissioners take the case of the Grand Trunk Pacific and say that they took the contract and sublet it on the understanding that they were to receive 5 per cent profit. Then the commissioners say that the subcontractors let the work at a lower figure than that at which the Grand Trunk Pacific had received the contract and still made a profit of from 20 to 25 per cent, and that consequently the country lost that money. Is not one of the very best tests of the genuineness of the tenders and of the contracts to be found in the fact that the Grand Trunk Pacific were by far the largest tenderers? They tendered successfully on contracts Nos. 1, 3, 4, 11 and 14 at a total of $9,333,000, and sublet them all. They tried to force an assignment of contracts Nos. 16 and 17, which were two of the largest, on a basis of 10 per cent over and above actual cost, but they did not get those contracts. They tendered altogether on 17 out of the 21 contracts advertised, and their tenders amounted in all to $38,436,789. Why did they do it? The reason that would suggest itself to the mind of any sensible man is that they desired to protect themselves, by seeing that the work was not being let at too high a figure. They had been building railroads in old Canada, and in new Canada and they knew what railroads cost. They tendered on all the big contracts, first to protect themselves, and secondly, to ensure that there would be no extravagance and no wrong doing. All these contracts which the Grand Trunk Pacific obtained were sublet on a five per cent basis of profit to them, and the subcontractors made whatever profit they could on the prices at which they received the subcontracts. With these facts before us can it be said that there is anything fair and just in the finding of the commission that on these twenty-one contracts, had different methods been purused, $8,800,000 would have been saved to the people? I believe that any judge reading this report, would say without hesitation, that there is not a jot or tittle of evidence to support the finding of the commissioners. The most one can say in regard to the finding is that it is guess work; it might have been or it might not have been.

4 p.m.

What we on this side of the House say is, that the tenders were properly advertised; the contracts properly let, the profits, be they great or be they small, properly earned, and just as they would be earned in any other business organization entirely outside of the Transcontinental Commission. We say also that the Hudson Bay railroad will be built in precisely the same manner by this Conservative Government. The largest contractor on the National Transcontinental railway is the same Mr. J. D. McArthur who has obtained three very large contracts on the Hudson Bay railway, and has already sublet portions of them. He is not bound down in any way in regard to subletting on the Hudson Bay railway; he can sublet every yard of his contract, and on such terms as he sees fit. And the Minister of Railways and the Government have agreed to that, with full knowledge of what Messrs. Gutelius and Staunton have reported on that system in the case of the Transcontinental railway.

Why, the Government, as stated by the hon. member for South Renfrew, will not itself follow the advice of the commission. Summarized in one or two pages of this report is a plain argument that you should let your line in small blocks and thus avoid subletting. Have you done it? No, this Government has rejected that advice. They have let the whole thing, practically to one man who, I am informed, has immediately sublet the whole thing, and sublet at a profit to himself and to his subcontractors. How much will the people of Canada lose on that transaction if the standard set up by the Investigating Commission on the Transcontinental is to be accepted? Why, of course, it is not to be accepted. The Government has taken the correct way of doing business, it has gone about the matter of the Hudson Bay railway construction in a businesslike way. And so with the Welland canal which, while short of mileage, is estimated to cost $50,000,000. Will the Government follow the advice of Messrs. Gutelius and Staunton in carrying out that work? Indeed, they will not. The hon. member for Welland (Mr. German) says that the average contract on the Welland canal is $5,000,000, and the minister will not subdivide it. He says he wants men of responsibility, men of financial ability, men who are able to invest half a million or a million in a plant. These are the men he wants to deal with, and they can sublet to their heart's content if only they build according to contract and specifications. Has the Government done wrong in that transaction? Messrs. Staunton and Gutelius would say they have. Do the Government think that the report of Messrs. Staunton and Gutelius is a businesslike report in that respect? They do not or they would have followed it. As a matter of fact they have completely disregarded it in the case of the Hudson Bay railway and in the case of the Welland canal. And so, Mr. Speaker, this ridiculous point involving $8,000,000 or $9,000,000—forms a big item in this total of $40,000,000 which they say was extravagantly spent. What utter rubbish.

I will not deal at length with the $4,500,000 which these commissioners allege to have been improperly expended in the shops at Transcona. I noticed that in speaking of it the hon. member for South Renfrew puts it at $6,000,000, but the amount given in the report is $4,500,000.

Mr. GRAHAM: They omitted the Quebec shops, intentionally, because their friends are building them.

Mr. GUTHRIE: I wish to point out to the right hon. Prime Minister that this is another instance in which Mr. Lynch-Staunton has shown his bitter partisanship. He must have known that he was bound to follow the rulings of the engineers and the Department of Railways and Canals, as well as the rulings of the Department of Justice, which rulings were to the effect that these Transcona shops formed part and parcel of the construction of the road and should not be set down as part of the operating cost. This was brought to the attention of Mr. Lynch-Staunton time and time again. The law clerk of the commission, Mr. Atkinson, Mr. Newcombe, Sir Allen Aylesworth, the present Minister of Justice, all agreed on this point. And in the face of that Mr. Lynch-Staunton still has the audacity—on his own opinion and after noting the contrary opinions—to find that in this total of $40,000,000 the sum of $4,500,000 on account of the Transcona shops must be included. What was this man doing? What member of this House would do such a thing? What other commissioner would say so? In spite of the plain language of all these opinions and rulings, Mr. Staunton says: I give my opinion and I will put that $4,500,000 down as unwarranted expenditure. Surely, that shows the animus of Mr. Lynch-Staunton in this matter. The Solicitor General (Mr. Meighen) in speaking on this subject, said that it showed the bona fides of Mr. Staunton that he had given in his report the opinions of other people and had given reasons for his own. In my humble judgment his bona fides would have been much better established if he had said: In deference to the opinion of the Justice Department, I will omit to place that $4,500,000 spent on the Transcona shops among the items of wasteful expenditure. Let the Prime Minister take cognizance of another fact with regard to Mr. Lynch-Staunton—and I only mention this to show his animus, to show his frame of mind, to show that he was determined to come to a conclusion against the late Transcontinental Commission. In 1912 the question of the Transcona shops was being discussed by Major Leonard, the commissioner. It was urged that the shops were too large, that the railway would not require such shops for the next quarter or half century, and that too much money altogether was being expended, so that a large part of that expenditure was mere waste. They sent for an expert to the United States, Mr. Hodgins, of New York, a man thoroughly acquainted with

the requirements of railways and the construction of shops to be used in connection with them. No Liberal Government had anything to do with the choice of Mr. Hodgins, no Transcontinental commissioner ever appointed by a Liberal Government had anything to do with it. The present commission sent for Mr. Hodgins and got his opinion with regard to these shops at Transcona. His opinion is on 'Hansard,' and I am not going to read it again. The Prime Minister heard the hon. member for South Renfrew read it, or I suppose he will do this side of the House the justice to read it himself. He will see that Mr. Hodgins complimented the National Transcontinental Railway Commissioners in every way possible with regard to the construction of these shops. He said they were not too large for the trade present and expected on the road; he said they had been economically constructed; he said their floor space was better used and their machinery more modern than almost any other car-shops in the world. Yet, in the face of the report of this expert, Mr. Lynch-Staunton finds that $4,500,000 for these shops is unwarrantable expenditure. Another point I make is that he suppressed that report of Mr. Hodgins in his report as commissioner. It should have been mentioned, or, at the very least, it should have been referred to. This all goes to show that Mr. Lynch-Staunton and Mr. Gutelius were not there to act fairly and squarely, but were prejudiced and biased in the extreme. It shows that they were men who under the circumstances were not able to bring in an entirely independent report. Their prejudice had become a ruling passion.

Then, there is the big question of momentum grades. I have not a great deal to say on that subject. There is a tremendous sum charged as having been unwarrantably expended by the Transcontinental Commission on momentum grades. Well, what is the history of that matter? This was to be a railway of a very high standard, of the highest standard of railway across the continent. The conditions under which it was to be built, the standard to be employed throughout, was a matter of agreement between the Government and the Grand Trunk Pacific, who were to be the lessees of the road for a period of fifty years, and to pay three per cent as rental upon the whole cost after the first seven years for which they used the road. It was directly to the advantage of the Grand Trunk Pacific Railway Company to see that not one dollar was unnecessarily expended in the construction of that road. Their own engineer was on the work the whole time. If he could not agree with the commissioners' engineer upon any point, the matter had to be settled by arbitration. If the two engineers, one for the Grand Trunk Pacific and one for the National Transcontinental Railway Commissioners, could not agree as to who should be appointed third arbitrator, the Chief Justice of Canada was to perform that duty for them. What could be fairer than that? They knew what they wanted; they wanted a road of a higher standard than any that crossed North America, and they were prepared to pay three per cent on what it was to cost. Nothing was said about momentum grades until very recently; in fact the first question in that regard arose during the time that Mr. Lumsden was chief engineer. Mr. Lumsden himself was not in favour of momentum grades. In his evidence, he says that he has not had much experience with them, but he does not say that they would add anything to the usefulness of the railway. The Grand Trunk Pacific Railway Company was not in favour of momentum grades; they refused by letter to permit the commission to put momentum grades on the road between Winnipeg and Moncton. That letter, which was read in the House last night, and appears in yesterday's 'Hansard,' was written by Mr. Woods, assistant engineer of the Grand Trunk Pacific railway, who was on the work, to Mr. Lumsden. His language was quite defiant. He said: We object to your putting in momentum grades; it is not part of our bargain. We want the actual grade of four-tenths against eastbound traffic, and six degree curves—no greater grades and no greater curves. That surely is sufficient notice to the Government and to the Transcontinental Commission as to what the Grand Trunk Pacific Railway Company want, and as to what the commissioners could do and could not do. Nothing more was heard of momentum grades until Mr. Lumsden's retirement in 1909, I think it was, and Mr. Gordon Grant's appointment to the position of chief engineer. It is true that in a letter written by Mr. Gordon Grant the assertion is made that in certain places momentum grades might be used, and the commissioners have stated in their report that according to Mr. Grant's evidence the use of momentum grades was quite proper.

Hon. gentlemen can look over Mr. Grant's evidence from beginning to end without finding a single statement on the subject of momentum grades. To Mr. Grant's letter recommending their use, the company replied that they would not have them. Time has gone on; the commission has changed. Major Leonard, appointed by the present Government, is now sole commissioner. He seems to be a stickler for momentum grades, but he should bear in mind the letter which he received in July, 1912, from E. J. Chamberlin, president of the Grand Trunk Pacific Railway Company, stating that the company would not permit the use of momentum grades. The last clause of that letter is as follows:

I beg to say if this work is done in accordance with what I understand to be your recent instructions it will not be in compliance with the agreement or satisfactory to this company, and cannot be accepted.

Surely that is positive language. But what has been done? Hon. gentlemen, in defiance of the warning of the Grand Trunk Pacific Railway Company, have proceeded to put in from thirty to thirty-five momentum grades—for what purpose I know not, unless it be to give the Grand Trunk company an opportunity to get out of their contract to operate the road under a fifty-year lease. If they make that salutary change; if they degrade the road, and put in something which has not been agreed upon by both sides, when the road is completed and they ask the Grand Trunk Railway Company to execute the lease for fifty years, the company can say: you have not kept your agreement; you have not lived up to your contract. We warned you and your engineers and your proper officers, and you did this in defiance of our warning. The same is the case too, I am informed, with respect to steel bridges. The Grand Trunk Pacific Railway Company is entitled to a first-class road. It does not want wooden trestles, it wants steel structures; it is willing to pay for them, and it is agreed with the Government that they shall be installed. Yet these commissioners assume to find that the late commission did wrong in living up to its agreement and in erecting steel structures on the railway. They state that in their opinion the Government might have saved $6,200,000 if they had adopted momentum grades, which the Grant Trunk Pacific railway say they will not accept. That letter of Mr. Chamberlin's was, no doubt, before the commissioners; why did they suppress it? Why did they not put it in their report? They may offer the excuse that the report covered a period which ended in October, 1911, and that the letter is dated June 12, 1912, but I notice that in many of their calculations of payments the figures are given to December 31, 1912. There is a good deal of dispute about the question of momentum grades, and it would appear to me to be a controverted question. I heard a New York railway man say that his company were spending $20,000,000 this year to establish actual grades and cut out curves. I know that certain western roads in the United States are doing the same thing; I believe the Canadian Pacific and Grand Trunk railways are doing the same thing—the Grand Trunk did it at Guelph, anyway. I believe that the best railway practice to-day is to get rid of wooden structures and momentum grades as rapidly as possible, and to put in actual grades and steel structures. That is evidently what the Grand Trunk Pacific Company want, and that is evidently all the Grand Trunk Pacific Railway Company are going to take when the road is completed. How do the commissioners make up the amount of $6,200,000 which it is alleged we would have saved if these grades had been put in? Their estimate is the wildest kind of a guess; they have arrived at the amount by taking 10 per cent off $62,000,000 worth of fill and excavation. They have no reason for taking ten per cent off that amount; none of their engineers show any reason for doing so, and one engineer, Mr. Berry, of Chicago, whose remarks were quoted by the hon. member for South Renfrew, says it is a wrong practice to go upon. That is an indication of the material of which this report is made up.

I shall not take up the time of the House by going into many other questions, but I am going into the matter of the classification of the work. It is alleged that a large amount has been overpaid by reason of over-classification and in connection with overbreak.

The commissioners say:

The amount charged for excavation of solid rock or assembled rock which is described as 'fragments or rock cemented together by interstitial material' was improperly introduced after the contracts were signed, and though $1,835,051 was paid for 'assembled rock,' there is no material on the line which can possibly be marshalled under that head.

So they have charged as unwarranted expenditure $1,835,051 on that score. Then they have charged that the contractors, on contracts 14, 15 and 16, charged as loose rock many yards of ploughable clay which should have been classified as common excavation. They say there has been a loss of $750,000 on that account. Then for overbreak they say there has been a loss of $677,866, making a total of about $3,300,000 under these three heads.

Now, according to Mr. Gordon Grant—and his evidence is in print and was read in the House yesterday—it is not possible, after a lapse of a year or two, to go over a constructed line of railway and make a classification. That opinion is backed up by Mr. Berry, one of the greatest engineering authorities on the continent. Remember that this work was done in 1907 and 1908 and the inspection was made, I assume, within the last eighteen months, some years after the excavation had been done, and eminent engineers such as Mr. Gordon Grant, who is the head of the National Transcontinental railway, and Mr. Berry say that you cannot make a proper classification after the lapse of a year or two. However, Mr. Lynch-Staunton and Mr. Gutelius have sought to make the classification and I think they have made it on the most meagre evidence, with a great deal of supposition and a great deal of guess work. When it comes down to the final result, as a matter of fact I think they have just made their own estimate of the amount of rock which should be classed as loose rock. And when it comes to overbreak they make nothing more than a wild guess of what it is likely to be. Under these three heads they find that $3,300,000 had been improperly expended, or that the contractors had been paid that amount too much.

I shall mention in this connection the largest contract on the road, the one known as the McArthur contract. It runs from Winnipeg easterly about 264 or 270 miles, and is known as contract No. 21 in district F. It is known that in 1910 objections were put in by the engineers of the Grand Trunk Pacific that there was over-classification. These engineers were on the spot, they were there to watch the work and it was their duty, if any improper classification was being made, to report it at once; and they did report it on the 19th January, 1911, to the commissioners of the National Transcontinental railway. Prompt action was taken in regard to that and an arbitration was had, the Grand Trunk railway appointing for the purpose of the arbitration Mr. Kelliher, the Transcontinental Railway Commission appointing Mr. Gordon Grant, chief engineer, and these two appointing Mr. Collingwood Schreiber to go into this matter and report on overbreak and over-classification. The road has been recently built. That was in January, 1911. The road had been built within a year or fifteen months, the estimates had gone in, the complaints had been made, and promptly these three engineers went upon the work, examined it, measured it, and made their finding which is dated the 19th of January, 1911. They made a heavy finding against Mr. McArthur, they found amongst other things that while his statement showed an excavation of solid rock of 1,415,081 cubic yards, of a value of $2,405,367, that was an over-valuation of $429,921. That award was sent to the commissioners of the Transcontinental railway, to the effect that the work of Mr. J. D. McArthur, on contract 21, had been overclassified to the extent of $429,000. That is to be found in exhibit 18 of the report of Messrs. Gutelius and Staunton. The Government of that day, as well as the present Government, had a large amount of Mr. McArthur's money in their hands, two or three times as much as would be required to give them security on that contract, according to Mr. Grant's evidence. They had a lien on all the plant of Mr. McArthur still on the work, worth probably three-quarters of a million dollars. They knew that his statement was wrong to that amount of $429,000. When Messrs. Staunton and Gutelius went up and examined that work for overbreak, they had before them the finding of the arbitrators of January, 1911. They saw the situation but they seem to have made another calculation quite independent of that of the arbitrators. Messrs. Staunton and Gutelius made the matter appear much worse; they found that J. D. McArthur, on contract 21, had put in an over-statement of $642,876 for this overbreak as against the $429,000 which the arbitrators found. The account of McArthur was not settled until quite recently.

Mr. McArthur was not going to stand for any such treatment, and he let the Government know that very promptly. He consulted eminent counsel, and they let the Government know that McArthur was going to make things hot for them if he was not paid what was fair and just. January, 1913, came, just about a year ago, and the account of McArthur was still unsettled. The chairman of the Transcontinental railway, for some reason best

known to himself, thinking that that account ought to be settled and settled quick, gave instructions to have it settled. Whether the instructions went to the Government or not I cannot say, but certainly negotiations took place, and McArthur said: I will not stand for that deduction of $640,000 which Messrs. Gutelius and Staunton claim I have overcharged. I will allow a deduction of $150,000 and that is all. You would think that the Government, having Mr. Gutelius' report before them in cubic yards and dollars and cents, would have immediately said: No, that will not do. But what did they do—and this is something I cannot account for? They got two of the old arbitrators, Mr. Grant, the present chief engineer, and Mr. Kelliher, who worked for the Grand Trunk Pacific in the arbitration, to sign a document saying that they were all wrong in their first award and that they now found that the overcharge should be only $150,000. That is ex post facto work for you. I understand from my hon. friend from Welland (Mr. German) that they have settled with J. D. McArthur for less than a quarter of what Messrs. Gutelius and Staunton said should be deducted, and they did not do it in a very straightforward way.

Mr. EMMERSON: It was paid before Messrs. Gutelius and Staunton signed the report.

Mr. GUTHRIE: I am aware of that, because the report was not signed until last February. I believe myself that the finding of Messrs. Gutelius and Staunton was wrong, and that they made a pure guess at the amount, and that is apparently what they did on nearly every point of their investigation. I do not believe for a minute that McArthur got anything more than fair treatment. What reliance can we put on this report when the Government say: We will knock 75 per cent off Gutelius and Staunton's estimate, and deduct only the other 25 per cent; whereas our commissioners found a payment of $640,000 unwarranted, we will cut that down to $150,000. Personally I think that was a fair settlement. But what does the Government think of the report?

I cannot go through all the items as I have taken up too much time, already. There is absolutely no foundation for the findings in this report. They are repudiated by the men who, we hope, are going to take this road over. What about their statement as to the $6,200,000 for momentum grades and the $8,800,000 because we let the work out in big contracts, unreasonably large sections? It is the purest kind of buncombe when you come to read it. Then in regard to overbreak; competent men say that you cannot properly examine that, after a lapse of a year or two, and certainly the commissioners could not examine it on contract 21 in the neighbourhood of Winnipeg where the Minister of Public Works (Mr. Rogers) lives, and knows what is going on. The Government would not take the Gutelius-Staunton report on that, and indeed it is uncertain on what points they will endorse it, probably on none. I blame the Government not because they appointed a commission, but because they appointed such commissioners. If they had appointed independent men who were not biased politically they would have done a service to the country, and such commissioners would have found that the road had been well and economically constructed and at the highest standard of any transcontinental railway in America. We have heard about Mr. Fielding's estimate of $61,000,000 and how before the election of 1908, the road had cost $112,000,000, the estimate being almost doubled in four years. But the cost of labour and material had gone up and we were building a better and more expensive road than was perhaps originally anticipated. Under the late commission appointed by the Liberal Government the road was kept up to standard, and there was no attempt to degrade it or to substitute wooden trestles for steel bridges. We tried to carry out the contract with the Grand Trunk Pacific to the letter, and if the company should repudiate the contract it will be the fault of Major Leonard, of Messrs. Gutelius and Staunton, and of the Government which backs them.

Mr. W. H. BENNETT (East Simcoe): The hon. member for South Wellington (Mr. Guthrie) devoted a good deal of his time, particularly at the beginning of his speech, to the standing and reputation of the two gentlemen who have acted as investigators in this matter. He says that Mr. Staunton was prejudiced at the outset and in proof of that he states that from time to time Mr. Staunton has been employed by the Conservative Government of Ontario. If by reason of that fact Mr. Staunton is a partisan, is not my hon. friend a partisan because while the Ross Administration was

in power in Ontario he was in receipt of many thousands of dollars at their hands? Therefore, according to the hon. gentleman's argument he himself is a partisan. I was surprised that the hon. gentleman descended to attack Mr. Staunton. Although I need not come to his relief I am surprised that the hon. gentleman should say that Mr. Staunton was of the class and character that he never showed himself at public meetings unless he could get a Roman Catholic audience. The hon. gentleman knows as he sits there—he cannot deny it—that in the South Bruce election Mr. Staunton addressed a large meeting in the town of Walkerton, which, as the hon. gentleman knows is by no means a Roman Catholic town. What do such accusations mean? They show that hon. gentlemen opposite are driven to desperation, and by every means possible are endeavouring to belittle the gentlemen who have acted as investigators in this matter. As I proceed I will deal with the other matters referred to by my hon. friend so he will not consider it discourteous if I do not refer to them just at the outset.

What are the facts? This railway which was to cost, according to the estimate of hon. gentlemen opposite when they had control of affairs in this country, $61,415,000, will, according to the estimate of the chief engineer, cost $161,300,000 when completed. In answer to that suggestions have been advanced. The hon. member for Pictou (Mr. Macdonald), speaking yesterday afternoon, said that one of the main causes why this railway had cost so much more than it was expected to cost was the fact that the surveys were faulty. One of the criticisms advanced when the hon. gentlemen were undertaking this work was that they had not made a thorough investigation into the conditions, and to-day the hon. member for Pictou comes forward and says that this was one of the prime reasons, and that they did not know what they were talking about when their Finance Minister stated that it would only cost $61,000,000. Then he said, and other hon. gentlemen have said, that it has all been endorsed by the people of Canada in successive elections. I am free to admit that the hon. gentlemen won, and did well in Ontario in 1904 and in 1908, particularly in 1904, on this particular question of the Transcontinental railway. But I am here to say that they did so by misrepresentations made to the people of Canada. Had the people known or anticipated that this railway, apart from the question of interest, would cost $161,000,000, the story and the verdict might have been very different indeed. I have here a copy of the Globe, October 15, 1904, and I am sure that the ex-Prime Minister will not deny that any report made in the Globe must of necessity have been true. Speaking at a huge meeting in the city of Toronto, he said:

> I will give you the figures compiled by the experts of the Finance Department, who calculate that what we would pay in interest for seven years represents a sum in cash which, if it were put in the bank to-day, would amount to a little more than $13,000,000, and a little less than $14,000,000. (Hear, hear.) That is all we would have to pay for the construction of the road if our expectations and contracts prove to be as accurate as we think they are. I ask you, my fellow-citizens, if we can get that tremendous railway for $14,000,000 do you think that will be so very heavy a burden for the Canadian taxpayers, when I tell you that the surplus we had in the year 1902-3 was $14,000,000—(cheers)—and last year, 1903-4, it was $15,000,000. This is the project I have to lay before you, this scheme and plan of the Government.

After the right hon. gentleman had made that speech in Toronto the newspaper was placed in the hands of every Liberal candidate in the province of Ontario. I remember that when, on nomination day, before a thousand people, I pointed out the estimate that had been made as to the cost of this road, my opponent said: There is the statement of Sir Wilfrid Laurier; does he not know what he is talking about? Then the hon. member for Pictou said yesterday: Look at the estimates which were made from time to time about the cost of this railway; nobody anticipated that it was even going to be built for the full figure of $61,000,000. He said: The present right hon. leader of the Government and his most prominent followers agreed from time to time that it would cost from $75,000,000 to $100,000,000, and he quoted estimates to that effect. It is true, but when were those statements made? When this road had been under discussion when there had been Lumsden inquiries, when it was shown by these inquiries that millions of dollars were being stolen—that was the time that the conjecture was hazarded that it would amount to $150,000,000. The disclosures which were being made from time to time were the basis of these statements and conjecture that the road would reach in cost $150,000,000, as it has done.

Let us go back to the whole story in connection with this railway. A great many things had happened before this railway

was launched before the people. The exploiters had had their own sweet will. There could be but one resurrection of the gold mines of the Yukon, they had been resurrected; millionaires had been made out there and there was no chance of any more millionaires being made out of the Yukon. The Saskatchewan Land Company had done its work, as had many other companies, and there was nothing more to be done in that direction. Ministers of the Crown, who had come here poor men, left estates which were probated at $750,000, and envy was in the eye of every hungry camp-follower who thought that he ought to go and do likewise. The Quebec bridge had been dealt with by Mr. M. P. Davis, and so these gentlemen were looking about for some place where they might invest. They said: Here is this railway; if there is any place to invest to advantage it must be here, because fortunes will be made in the construction of this railway, which will cost millions of dollars. So, accordingly, everything was prepared and made ready for the event. First, there was a minister —a most pliant minister—who had played the political game in Ontario, a minister who was close to every scandal that ever attached to the Ross Government, and the hon. member for South Renfrew (Mr. Graham) was the most fitting accompaniment that could be had to a steal of these gigantic proportions. Now, let us come down to some of the others who were attached to it. Hon. gentlemen opposite set up a man of straw in order to knock him down. We heard the hon. member for North Cape Breton (Mr. McKenzie) say that Mr. Wade had been assailed. I never heard Mr. Wade's name mentioned in this connection until the hon. gentleman introduced it himself. What reason was there for introducing the name of Mr. Wade because Mr. Wade never had anything to do with it and, he being dead, nothing could be said against him. When Mr. Wade went out he was replaced by Mr. Parent, and of this precious Mr. Parent I will have something to say. Who is Mr. Parent?—the discard of the Liberal party in the province of Quebec, and I say it with a full knowledge of the facts as they appear upon the records. That gentleman was premier of the province of Quebec and among other ministers in his cabinet were Mr. Turgeon, Mr. Gouin and Mr. Weir. Quoting from the sessional papers of the province of Quebec one may find the resignations of these three gentlemen. What are the reasons they assigned for quitting the Government of which Mr. Parent was the leader? Among other reasons they say this:

> On the other hand, your refusal or your neglect to give effect to the law respecting public lands passed last session, the result of the election in most of the counties in which you directly intervened, your dilatoriness in proceeding with the suits which we asked you to institute to save the honour of the Government and your own, the intention you expressed to not be at your post during the session which opens on Thursday next, the feeling of uneasiness which prevails among the public and for which you are responsible, convince us that you do not possess the confidence of the electors of this province.

I am not going to harrow up hon. gentlemen with what these suits were. I am not going to harrow them up with what these scandals were. We have all heard about the old scandals in Quebec where lumbermen and politicians were looting the public domain and by reason of the fact that Mr. Parent was suspected of being concerned in this, and also because he had risen from being a poor man to a millionaire, these three Liberals would not sit any longer in council with him. Mr. Parent had to walk the plank, but he came up here and slipped into the chairmanship of this commission. It was a fitting place for a fitting man. He was the man who could do anything for the Government. He was the man to go between a contractor and the Government. The hon. member for Montmorency (Sir Rodolphe Forget) made a speech in the House last session in which he said, and his statement has gone uncontradicted, and it never will be contradicted by Mr. Parent, that on the eve of the election of 1911, Mr. Parent's son being a candidate in Montmorency county, this broker on behalf of the late Government went to the hon. member for Montmorency and said to him: If you will withdraw from your candidature in the riding of Montmorency I will guarantee that a charter will be issued for your bank—La Banque Internationale. The right hon. the leader of the Opposition heard that charge made. The bank charter was being suspended and held up by the late Government, and here was this precious Mr. Parent, the huckster and broker on behalf of the Government, offering, if his son were to be permitted to be elected in Montmorency, to see at once that the charter was given for the bank. There was a good reason why Mr. Parent could not deny that charge. The reason assigned by the hon. member for Montmorency (Mr. Forget) at that time was, that Mr. Parent had called on the member for Montmorency between

12 and 1 o'clock at night; that three or four other gentlemen had seen him there; that he could not possibly deny, in the face of three or four witnesses, that he had been there, and that he could not possibly give any explanation as to why he was there. If that had been the day of the detectaphone, Mr. Parent's neck would have gone into the basket the same as Bérard, Bergevin, Mousseau and the rest of the gang.

I will not refer to the Quebec bridge and the part played by Mr. Parent in regard to that, when Mr. M. P. Davis picked up only a mere trifle of a quarter of a million dollars at the expense of the people of Canada. There is a little village called Deloraine in the province of Manitoba, with a population of 400, and there was a Mr. Charles Young living there. No one had ever heard of him as a railway man. He was a farmer and a grain dealer in a small way. He was brought out from his retreat and made a commissioner to oversee the expenditure of over a hundred million dollars. Fancy the feelings of Mr. Charles Young when he landed at Ottawa with a salary of $7,000 a year as a commissioner on this railway. He said: now here is the chance of my life. He knew McGregor of Brandon who had been out in the Yukon and had picked up a fortune; he had heard even of the immortal Sifton, the multimillionaire, and therefore he looked around to see what there would be in it. An inquiry was held in this House a few years ago which showed that under this same Mr. Young—he as the representative in that part of the country on the commission, having to do with the matter, no less a profit than $250,000 accrued to a couple of hotel keepers up there, from certain lands sold to the Grand Trunk Pacific. It is true that Mr. Young said he knew nothing about it; it is true that the hotel keepers said he had nothing to do with it; but was it not wonderful that a couple of hotel keepers, living out in Moosejaw, wandered in and picked up some land, and in a few months sold it at an advance of a quarter of a million dollars to the Grand Trunk Pacific railway? And, more than that, the Grand Trunk Pacific Railway Company protested against the purchase of this land which Mr. Young was forcing through.

Let us take the other commissioners in order, because I think the public should be fully seized of their competency of these gentlemen. There was Mr. McIsaac. I have nothing to say about him. He sat in this House; he was a gentlemanly, kind-hearted man; but it must have been a surprise to him when he was precipitated into the position of commissioner. Mr. McIsaac was, in my opinion, an honest man, but he got into mighty poor company and as a result he became very weak as the proceedings went on. He was examined by this commission; and as reported on page 600, when he was questioned as to the idea of letting contracts in such extensive sections, he said: that his own opinion was that the system was altogether wrong, but that he had to give way. He said further that he thought it was improper to ask contractors to tender under the terms that they should put down a deposit and then be called upon for an indeterminate amount afterwards? There was Mr. McIsaac, innocent and honest, hoping to put the party right in this deal if possible, but above all things hoping to hang on to his salary of $7,000 a year. He meant well; tried a little, and failed much.

Then we have Mr. W. S. Calvert. If you refer to the Parliamentary Guide, you will find that Mr. Calvert lives at Napier. A man told me that there was a blacksmith shop and a hotel at Napier, but the hotel-keeper lost his license and the hotel was turned into a country store. I want to give Mr. Calvert the reputation of being a modest man. Mr. Calvert was examined in this inquiry and his evidence at page 614 reads:

5 p.m.

Q. When you joined this Board, were any particular duties assigned you, in connection with the business of the road?—A. No, nothing in any particular way. I was just appointed a member of the board and we went on in the usual way that a board does. We did rather understand that each one would look more particularly after individual sections: for instance, I was on 'D' and 'E.' . . .

Q. Were you present at La Tuque at the time the contractors and Mr. Lumsden were there?—A. No. I never was on the work with Mr. Lumsden.

Q. Was Mr. Lumsden in the employ of the commission while you were there?—A. No. Mr. Grant had been chief engineer for some time before I came on.

On page 615, to show the thorough grasp Mr. Calvert had of the duties of the commissioners, I read:

Q. What is the difference between actual and virtual grades on a railroad?—A. I do not know that I can just answer that properly.

Q. Did you ever hear that matter discussed?—A. No, not if you put it that way. In fact, I may say I was not very conversant with momentum roads until this question came up.

Q. Do you know anything about curvature in railroads? Did you ever hear it discussed at the time you were on the board?—A. Oh, well, sometimes, I suppose, the question was discussed, but not very much at board meetings.

Q. You never became very familiar with it? —A. I would not like to say so.

Q. You could not form any judgment as to curvature?—A. I would not like to give an opinion on a thing like that.

There is a letter here that will go to show what Mr. Calvert thought primarily was his business. It is signed by Mr. Mattice, the district engineer, and reads as follows:

Mr. Calvert is asking that no appointments be made to the staff in future without his consent, and these instructions must be carried out, except in so far as cooks and building gangs are concerned.

Even the district engineer thought that Mr. Calvert's knowledge was so restricted as to the requirements of a railway that he was not even to have the recommending and selection of a cook.

With such a commission as a starting point; Mr. Parent, a discredited and discarded politician of Quebec, according to the reports of his own friends, Mr. McIsaac, a decent, honest, inoffensive citizen, who had never been in the capacity of commissioner before, and Mr. Calvert, who frankly admits his utter inability to cope with the situation, what a playground it was for the Minister of Railways and Canals and the contractors who loomed up in the gloaming to go after the public treasury! When the Liberal party went out of power, their nightmare was: what will turn up in regard to this railway and all that has been done in the past, and the Liberal press took up the cry. From the outset it was announced: Here was a wonderful railway, and, even if it had cost a great deal of money, it was a first-class railway no matter what it had cost. But the public were becoming a little dubious about that, knowing that even a good thing can cost too much. These gentlemen had to try to square themselves by showing that this was a judiciously built road. So, the hon. member for South Renfrew was to be immortalized, and the proper medium for his immortalizing was found, of course, in the Toronto Globe. They gave him some special advertising, with a view to helping these gentlemen out. It so happened that in the year 1912, Mr. Charles M. Hays died and a vacancy was created in the presidency and general managership of the Grand Trunk railway. Mr. Smithers, the vice-president, was coming on to Canada, and it was announced in the Toronto Globe in its issue of the 15th of May, 1912, in effect: Hon. George P. Graham has been asked to accept the position of president and general manager of the Grand Trunk Railway Company. It said this is a striking tribute to his ability and worth, to his practical knowledge, his powers of initiation and his thorough understanding of the railway problem in Canada. These were given as the reasons the Grand Trunk management sought his businesslike administration. I do not think that surprised Mr. Graham, and if the truth were known, probably it would be found that he was in Toronto on the day when that report was given circulation. But, as with a good many other reports, that was the end of it. However, it served its purpose; it went from one end of the country to the other that Mr. Graham had been offered the presidency and general managership of the Grand Trunk railway, and this gave him a good advertisement before the people. Mr. Smithers arrived on the 24th of May, and the $50,000 per annum salary of the position which they said had been dangled before Mr. Graham faded away, and Mr. Graham, naturally did not get the position. I merely mention that to show that these gentlemen had been anticipating the troubles that were to beset them, and so this cheap advertising in the Globe was given the hon. gentleman.

As to this letting of contracts in large sections I wish to make one point here. There is a vast difference in the letting of these contracts and the letting of an ordinary contract for a public building. Suppose that tenders are called for a public building and one is accepted at $25,000; you have there the total amount involved. But the tenders on this Transcontinental were of a more far-reaching character. As an example, take the tender of McArthur Brothers on section 1. That tender was for about $13,000,000, but when it was moneyed out, they received $20,000,000. The reason is that the work was done by schedule, and the work being so done, it was to the advantage of the contractor to do as much work under his contract as possible. We can understand how, under such contracts, immense sums were obtained by these men in addition to what is was originally intended should be paid to them.

A great deal has been said about the question of the additional deposit which might be called for. I shall not deal with that at length, for to do so would be to trespass on the good nature of the House. But I wish to endorse everything that has been said which went to show that this system was in the interest of the big contractors and of these alone. The contractors

knew, and so did the board when a tender put in at $13,000,000 might ultimately money out at $20,000,000, both contractors and board knew that all tenders were of a very large order. So we find the very unfair proposition laid down that the tenderer should first put up a certain sum as a deposit, and then be subject to the will of the board to increase that amount. This prevented many men from putting in tenders. There was this further: under the terms, the successful tenderer, if not able to comply with the increased demand made upon him, stood the chance of losing what he had put up in the first place, Mr. McIsaac placed himself on record as objecting to that condition. There was another gentleman who objected to it, and the treatment of his objection showed the futility of entrusting men with power which they were not able to use. At page 603 of the evidence contained in this report, we find that the Finance Minister of that day protested to the board against this condition regarding a further deposit. The letters of Mr. Fielding and the evidence of Mr. McIsaac are set forth in the report. What superhuman power, if we may so term it, intervened to balk the wishes of the Minister of Finance, the man who above all others is charged with the custody of the public money? But, in any case, the result of his being overruled was that those who wished to tender were subject to these onerous terms.

I wish to deal for a few moments with some of the gentlemen who tendered. Mr. M. P. Davis tendered for a number of these contracts, and it is needless to say that he secured a large proportion of them. The Quebec bridge, which was referred to last night, netted him a quarter of a million dollars. He had had the Cornwall canal of unhappy memory, from which, it is said, he made so much money that he himself could not estimate it. Then he had that priceless gem, the water-powers on the Soulanges canal, granted him when the present leader of the Opposition, Sir Wilfrid Laurier, was Prime Minister and acting Minister of Railways and Canals, and granted by him in defiance of the report of the chief engineer of that branch. What was the Soulanges canal deal? In 1902 Mr. Davis made application for powers on what is known as the Cedars section of the Soulanges canal. He asked for a twenty-one year lease, at a rental—no, I will deal with the rental in a moment. In due course the matter was referred to

Mr. Thomas Munro, engineer of that system of canals. Mr. Munro reported on the 18th of February, in the course of which he said:

> If trade is to grow it will be advisable to adopt means of electrical traction to facilitate the passage of laden barges. The whole question is of much importance, so much so that it should have the fullest investigation before any action is taken, at least, such is my humble opinion.

That report of Mr. Thomas Munro was before the right hon. gentleman, who in the absence of Mr. Blair was acting Minister of Railways and Canals. On that report an Order in Council was passed in the month of April giving Mr. Davis, for the paltry sum of $3,000, that enormous water-power for sixty-three years from that date, for the term of the lease was twenty-one years with two renewals of twenty-one years each. I have heard eminent contractors and engineers say that the rights given to Mr. Davis were worth not a paltry $3,000 a year, but over $250,000 a year. Is it to be wondered that Mr. Davis was right in the foreground, and that he was able to deal with this Government on very advantageous terms?

Let us examine these twenty-one tenders. Nine contracts embraced half the line, and for these there were only five tenderers. These were secured by Davis, O'Brien and the Grand Trunk Pacific Railway Company, and the return made to Mr. Davis on the section which he sub-let—let it be remembered that Mr. Davis did none of this work himself, as the contracts were handed over to others—amounted to the neat sum of $3,500,000. It is a striking fact that when Mr. McArthur tendered on contract No. 1, he was forced by the board to deposit with the department over $1,000,000, but when Mr. M. P. Davis tendered they asked him for a small payment only, and did not request a second payment at all. The right hon. leader of the Opposition may be in a position to explain how Mr. McArthur was compelled to deposit more than $1,000,000, while Mr. M. P. Davis got off scott free. Another firm, Hogan and Macdonell, who did not seem to be on friendly terms with the commissioners, were compelled to deposit $794,000 when their tender was accepted. If a man could get hold of Mr. M. P. Davis and in solemn and quiet stillness, ask him what he thought of the whole thing, I should think that he would say, like Warren Hastings of old, 'that he was amazed at his forbearance when he considered his opportunities.'

Let us now take contracts 16 and 17, with which Mr. M. P. Davis was most concerned. It is well for the House to bear in mind the dates which I am about to give. The contracts were let on October 29, 1908. The work on contract 16 was to be completed by December 3, 1910, and the work on No. 17 by March 11, 1911. In September, 1909, they had not commenced work on these sections, and on September 16 Mr. Davis assigned the contracts and cleared up $740,000. What was happening in the meantime? Mr. Hays had written a letter to the commissioners on October 8, 1909, protesting against the contract being allowed to stand any longer, and asking, in view of the fact that nothing had been done, that new tenders be called for. There is no doubt that Mr. Hays felt very strongly on this question, and that he had his own opinion of the board. He knew that the man in authority was Mr. Parent, and as he and that gentleman evidently were not on good terms—my own opinion is that Mr. Parent would be more or less closely linked up with M. P. Davis, considering what Mr. Parent's reputation has been in the past—Mr. Hays addressed no less a personage than the then Prime Minister, asking for an explanation, and for an arrangement. He wrote:

My Dear Sir Wilfrid,—

On the 29th day of October, 1908, the National Transcontinental Railway Commissioners awarded two contracts for the construction of about 204 miles on sections 'D' and 'E' of the National Transcontinental railway. The first section starting on the west end of Fauquier Brothers' Abitibi contract, in the province of Ontario, about 100 miles west of Cochrane, for a distance of 104.24 miles; the second contract commencing at the terminations of the first and joining Fauquier Brothers' contract north of lake Nipigon, a distance of 100 miles. By the terms of these contracts the work was to commence immediately after the execution of the agreements to be proceeded with continuously and diligently under the personal supervision of the contractor until completed, the date of completion being 31st December, 1910.

This work is remote from rail transportation, the closest point being 100 miles west of Cochrane. The prices at which the work was awarded were very high and consequently sufficient to allow contractors to build tote roads or some other means of transportation and getting in supplies so as to immediately commence work. To the best of our knowledge no attempt has been made as yet to open this work, and the indications are that while the work, as before stated, was let at very high prices on account of the difficulties of transportation, it is now the intention of the contractors to haul their material over a portion of the Fauquier Brothers' work track, on which will be completed the present season, say about 50 miles, and haul along right of way to their own section 50 miles distant. This delay will add largely to the profits of the contracts with no commensurate advantage so far as the National Transcontinental railway is concerned, and under the circumstances I will ask that the Government arrange for the cancellation of existing contracts and ask for new bids which can undoubtedly be obtained on very much reduced schedule prices,—particularly so if it is known that the contractors will be enabled to haul their material and supplies over such portion of Fauquier Brothers' work as track has been laid upon.

Considering that this was such a large question, one would have expected that the then Prime Minister would have answered Mr. Hay's letter. No answer was made, however; the letter was referred to Mr. Parent, and he was instructed to look into the question whether or not, in the interests of the Government of the country and of the Transcontinental railway, the suggestion of Mr. Hays should be carried out. As a result, what happened? Davis turned around, sold out the contract and made $740,000. In the innocence of his heart the ex-Minister of Railways and Canals the other night asked what difference it made to the country whether or not Davis made a profit of $740,000—the country had to pay it anyway. But had there been honest and straightforward competition, the McDougall firm would have been quite willing to do the work at $740,000 less than the tender that Davis had made. It is computed by the investigators that upwards of $8,000,000 would have been saved to the country had these contracts been let out in smaller sections and had more favourable terms been given. If on that contract $740,000 could have been saved, is it not a fair inference that a large amount could have been saved on the others as well? By applying this percentage of loss to the gross amount that was paid out, it may be seen that the report has proved that a large amount of money might have been saved.

Hon. gentlemen on the other side—and I give them credit for it—have taken up for discussion in connection with this matter points which may be largely questions of judgment. I am free to admit that at a public non-partisan meeting of fair-minded men it would be a fair question to argue whether or not momentum grades are a desirable thing to be used in any railway. I quite admit that hon. gentlemen opposite are sagacious and wise when they bring the question of momentum grades to the foreground with a view of attempting to discredit the report of Messrs. Gutelius and Staunton. I am not going to say that all engineers agree upon this question and,

if they do differ, the first point to be considered is what is the ordinary practice of railway companies. The most important part of the Grand Trunk Pacific road is the part that runs from Graham to Fort William, as that part of the road will carry the greatest amount of traffic. No hon. gentleman opposite can successfully deny the statement made by gentlemen on this side of the House time and again that that section of the road from Graham to Fort William has a large number of momentum grades. I invite any hon. gentleman on that side of the House to show that that is not the case. No part of the Canadian Pacific railway is used more than that part between Winnipeg and Fort William, because the bulk of their traffic is carried between these points. By a statement of the Canadian Pacific railway authorities in the House the other day, it was established that there are no less than eighty-five momentum grades on that section of the Canadian Pacific railway.

Why, then, if it is good railway engineering for the Canadian Pacific railway to have on the best part of their line a large number of these momentum grades, should they not be used on the main line of the Transcontinental?

The opinions of one gentleman have been cited time and again on all things pertaining to engineering. I shall quote the opinion of this gentleman, Mr. Gordon Grant, on this question. He says, at page 615:

> Disregarding ordinary sags in long fills or fills over soft ground, it has been considered inadvisable to bring up to profile grade, at present, and contractors' prices for the unnecessary work. There are, as you will see, only two places where virtual grades have been adopted, and the saving effected with this slight change amounts to $27,797. They are both well within velocity limits, and will not affect the hauling capacity of a locomotive to the extent of a single pound. The introduction of virtual grades in railroad construction, for the purpose of economy in first cost and subsequent economy in operation, by reason of reduced interest charges, cannot be considered other than a good business proposition.

There is the answer of Mr. Grant; and the hon. gentleman will not deny that on this Grand Trunk Pacific road there is a large number of what are called pusher grades. With a pusher grade the alignment is not preserved. One of these so-called momentum grades cannot affect the running of trains more than a pusher grade would. The estimate by the commissioners of the unnecessary expenditures in that respect is $6,200,000.

We now come to a point somewhat analogous to the question of momentum grades. I refer to the grade at La Tuque. Mr. Lumsden submitted to the Transcontinental Railway Commission a proposal in reference to the grade at La Tuque. The proposition of Mr. Doucet will be found at page 100. His proposal was to have a so-called pusher grade instead of preserving the line as was done; and his estimate was that there would thus be a saving of one million dollars. A reference to the evidence of Mr. McIsaac will show that he gives as one reason for the imposition of this second unascertained amount to be paid by the contractors was that they were guided by Mr. Lumsden's advice in that respect. If they were to be guided on purely financial questions by the engineers why should they not have been guided in matters of engineering? Here was the position. The engineer had recommended that a pusher grade should be substituted and had advised that one million dollars would be saved in that way. In defiance of that the commission, at the instigation of the Government—because the evidence shows that they consulted the Government of the day through the then Minister of Railways and Canals—set the engineer's opinion at defiance and at La Tuque alone one million dollars was lost to the country.

One subject on which the hon. member for South Renfrew dwelt with pleasure, was trestles. He quarrelled vigorously with the estimate of the commissioners that $5,500,000 was wasted on bridges, embankments and trestles; and he gave a great many opinions of his own. At page 2179 of 'Hansard,' the hon. member said:

> The reason for not using wooden trestles is that they are not reliable and they are not modern railway construction through a country like ours and everybody knows it. . . . It would have been absolutely wrong, next to criminal, for the Government to have done anything else, and still this Government is distributing a report saying that we could have saved on wooden trestles $2,947,000—and they dare not attempt to save one farthing themselves. I challenge this Government to show me where they have adopted a wooden trestle or a wooden bridge in preference to a steel structure. In modern railway construction, where the Government is taking over a completed road and not where the company itself is going to operate the road and is going to do the filling, it would have been, I say, nearly criminal to put in these wooden bridges. . . . The Grand Trunk Pacific is the company that owns the road west of Winnipeg and it can fill its own line at any time; but it will be compelled by good railway practice to fill it inside of eighteen months.

There can be no doubt that the hon. member for South Renfrew made the point strongly that good railway practice would

necessitate dispensing with wooden trestles, and I suppose he still sticks to that. It has been repeated by other hon. gentlemen on his side. The hon. member had better travel a little through Ontario if he wants to find wooden trestles which have stood, not for eighteen months as he says, but for eighteen years. Between Peterborough and Lindsay, on the Grand Trunk railway, where hundreds of millions of bushels of grain have been hauled, where fast passenger trains pass every day, there are wooden trestles to a height of 75 feet; and yet the hon. gentleman says that good railway practice would have abolished them long ago. I suppose he will admit that the Canadian Pacific railway is a fairly well managed road, perhaps not as well as the hon. member himself would manage it, although I do not think he has been offered the management of the Canadian Pacific railway as they say he was that of the Grand Trunk. I assert that there is no better piece of railway, no higher-priced construction, than the road from Port McNicoll to Bethany, near Peterborough. There the hon. gentleman will see a trestle a quarter of a mile long which was built by the Canadian Pacific railway four years ago, over which they are carrying trains of 60 loaded cars, each containing one thousand bushels of grain. And yet this great expert, this sought-for gentleman who was asked to take the place of the late Mr. Hays, says that good railway management will fill in wooden trestles within eighteen months after construction. The hon. gentleman should travel a little. He will admit that the Pennsylvania is a fairly well run railway. On that line near Washington, I think over Chesapeake bay, there is nearly three-quarters of a mile of trestle work; and yet trestles are condemned by this Solon of railway building, this greatest expert on railways in Canada. The hon. gentleman is publishing a speech, which, although it extended over seven hours, is being sold at the low price of one cent a copy. When people read that speech, in which he says that good railway practice compels the filling of these trestles within eighteen months, the people of this country, especially railway men, who do the hon. member the honour of reading his speech, when they come to his remarks on trestles and see the crass ignorance displayed by him on that question, will say: If that is all the hon. member for South Renfrew knows about trains it was high time that the control of the Railway Department was handed over to some person else. I hope that we shall hear no more about trestles after that. If there was any one scheme that lent itself to the cupidity and greed of contractors under this board, it was the construction of trestles. See how it worked out. In the first place, they were paid by the foot for the trestles used in constructing the road. Then the contractors were to be paid 55 cents a yard for all fill, and they were to be allowed for all over-break. What a prospect that was, under this kindly and benevolent board, for a railway contractor!

In the first place, instead of breaking down on either side to the extent of twenty per cent, which is good railway practice, the contractor was allowed to break to the extent of forty per cent. And what was the result? His train was there, he had to stop and load the overbreak on the cars and as there was a double quantity he was successfully handling it that much cheaper. This overbreak on which there was a large profit was then taken to the dump and used for filling around the trestles. How these contractors must have smiled knowing that they were getting fifty cents a yard for dumping this overbreak in the fill while the Grand Trunk railway were only getting twenty-five cents a yard. Is it any wonder in the face of these facts that the commissioners report that there was a waste of $5,500,000 on trestles and embankments?

Then as regards sidings. Some hon. gentleman opposite laboured the other day to show that the building of six miles of siding was permitted under the Act. Commissioner McIsaac disagreed as he understood that the specifications called for a single track. Was there any sense or reason in parallelling the main line with six miles of siding? I can understand as every man can, the necessity of having a siding long enough to pocket say a couple of trains. But why a siding of six miles? I will ask the hon. member for South Renfrew (Mr. Graham) whether he can give me any reasonable explanation for that six miles of siding and I will be pleased to sit down while he answers.

Mr. GRAHAM: Where was this six miles of siding?

Mr. BENNETT: I think it was at Transcona.

Mr. GRAHAM: That is only four miles.

Mr. BENNETT: Was it not near Graham?

Mr. GRAHAM: There is no place where there was six miles of siding. The six miles is made up of siding at different places.

Mr. BENNETT: My recollection is that at some place there was six miles, but as I cannot lay my hand on it just now I will take the hon. gentleman's statement that it was four miles. Fancy the management of a railway company putting four miles of siding alongside their main track! What did it mean? It meant that it was necessary to pocket four miles of trains there. in order to allow the trains on the main line to go by. The thing is absurd on the face of it and I tell the hon. member for South Renfrew that he cannot find a siding of four miles in the whole system of either the Grand Trunk railway or the Canadian Pacific railway. It is apparent that the reason those sidings were put in was to enable the contractor to make more money. Take the McArthur tender for instance. The tender was for $13,000,000 but when finished out it amounted to $20,000,000. Hon. gentlemen are well within their rights in discussing cases in this report involving a question of judgment, but there are cases of reckless expenditure which they do not attempt and will not attempt to discuss, because they are so palpably absurd that no man would have the temerity to stand up anywhere, much less in this House, and attempt to defend them. Take the case, cited time and again of the farm offered to the board for $3,500. The commission refused to buy the farm and deliberately built a culvert connecting the two parts of the farm. As a result of that, and of the expenditure incurred in connection with the other farm crossing case, the country had to pay $60,000.

Hon. gentlemen opposite also assailed the commissioners for saying that the portion of the line east of Levis should not have been built and that the $35,000,000 spent thereon, was wasted. In answer to that I say that the commissioners' finding is justified by every inference than can be deducted from the situation as it presents itself to-day. There is nothing in the whole contract between the Government and the Grand Trunk Pacific to compel the Grand Trunk to send a single bushel of grain or a single pound of freight over that eastern section. That was shown when the contract was up some years ago. In the meantime what have the Grand Trunk railway been doing? Have they made preparations for traffic at St. John or Halifax by spending a single dollar? Not at all. The very moment the contract was entered into and construction commenced, the Grand Trunk started operations to deflect this trade to Portland; and all the time this railroad was under construction it must have been known to the then Government that such was the case. What was the first step the Grand Trunk took. The town of Midland is their principal port for shipping grain either to Montreal or Portland. Directly the contract was signed, the Grand Trunk spent a large sum of money, probably about $3,000,000, in the construction of docks and elevators at Midland to accommodate the traffic that would come from the Northwest and be carried to Portland in the winter and to Montreal in the summer. A glance at the map shows that that traffic never can go to the ports of St. John or Halifax. In the first place, the Grand Trunk will do what the Canadian Pacific railway are doing; they will have a port on the upper lakes, from which they will ship their grain in the fall of the year to Montreal, and when navigation closes the grain will be taken to Portland, and the Canadian Pacific railway will do as they are doing, and continue to take their traffic to St. John. Moreover the situation is such to-day in the Maritime provinces that after the grain for export has gone by, no grain at all will go to the Maritime provinces in the winter months. The grain will leave the Grand Trunk Pacific at Cochrane and by an arrangement with the Ontario Government will come down to the province of Ontario and be distributed for use in the flour mills, just as is being done to-day. And here will stand this railway, unused in the winter months. There will not be any large trains of immigrants coming in who might travel over that road because it is the shorter route. Passengers will travel either by way of Chicago, or by the Canadian Pacific railway to North Bay, or passing up to Cochrane they can take the Grand Trunk Pacific there if they want to patronize that road. The whole thing stands as a monument of blundering incapacity on the part of the late Government. Worse than that, by reason of the enormous sum the railway has cost, the rates will for all time to come be so abnormal that it will not be a paying road for the Grand Trunk Pacific.

My hon. friend from South Wellington (Mr. Guthrie) said: look at the position of Mr. Chamberlin; Mr. Chamberlin protested against momentum grades. I have no doubt that Mr. Chamberlain protested

against momentum grades, and I think he was a wise man to protest against them. Why? Mr. Chamberlin knew the enormous expenditure that would be incurred in the construction of this road and when the present Government came into office he was seeking for an opportunity to put up some excuse in order to try to evade the bargain of taking over the road as the company are bound under the contract to take it over. I assume that was the reason he wrote that letter. It was good business and good policy on his part as the representative of the Grand Trunk railway.

These hon. gentlemen may go before the public of Canada and discuss this report on its merits. They may assail Messrs. Lynch-Staunton and Gutelius, but the bold fact will stand out that after the late Government had stated that they had complete surveys, that they had employed competent engineers to make these surveys and that it was a fair estimate to say that the road would only cost $61,000,000, it will have cost 300 per cent more than that. That is a fact that cannot be gainsaid, and that they cannot get away from. The report discloses a condition of blundering incapacity—I fear I must almost say of idiocy—that is without precedent in the administration of public affairs. The public will consider the stamp of men who composed the commission and, having regard to their reputations, their special unfitness and incapacity to deal with the construction of this road. The Government were well within their rights when they instituted this inquiry. The gentlemen who conducted the inquiry and made the report bring the facts out so boldly and so strongly that hon. gentlemen opposite, being shy of argument, at every turn have endeavoured to justify themselves by the assertion that the questions dealt with are only questions of ordinary opinion and judgment. I am prepared to vote against the amendment proposed by the hon. member for South Renfrew for the reason that I believe the Government have done right in having the investigation and because I believe that not only have the investigators brought to the task ability and a conscientious regard for the faithful discharge of a public duty, but that they have produced a report which will be of great interest to the people of Canada, one which will be a source of information to them and one which amply justifies the Government in employing them to conduct this inquiry.

Hon. H. R. EMMERSON (Westmorland): Mr. Speaker, if powers of vituperation and a low order of abuse will pass current for argumentative skill, then I think my hon. friend from Simcoe (Mr. Bennett) has earned the congratulations of his friends who gathered so quickly into the House the moment he undertook to speak. My hon. friend's speech has been very much indeed like the report—the alleged report—which is involved in the motion of my hon. friend from South Renfrew (Mr. Graham). There is in it a poverty of argument and of fact, but it is resplendent in assertion. I do not feel that I am called upon to follow my hon. friend in that line of argument. Were I to attempt to do so I know that I must ignominiously fail because I have neither the inclination nor the ability to follow in the trail blazed out by my hon. friend. It seems to me that my hon. friend, in taking that course, has given away entirely the case of hon. gentlemen opposite. I was not very much surprised that my hon. friend did take that course; I rather anticipated it. The gentlemen on the other side who have taken part in the discussion are for the most part rich in such powers, and in the absence of any fact or argument, they have indulged to the full in vituperation.

There has been circulated throughout this country a document called the Federal Press Bulletin, and in the copy which came into my hands, I find a repetition, perhaps the original, of the speech of my hon. friend from East Simcoe, of my hon. friend from North Ontario (Mr. Sharpe) and of my hon. friend from Kings and Albert (Mr. Fowler). I find this document full of headlines, in glaring print, and it goes through the country as a substitute for facts, but entirely impoverished as to argument. It gives us a clue as to the object of the report. This report has been characterized as a partisan and non-judicial report upon a great national undertaking, and as a campaign document to be circulated broadcast throughout the length and breadth of Canada. In the absence of facts, in the absence of argument, these statements and headlines, baseless as they are, are sent throughout the Dominion.

It is very unfortunate that the political life of Canada should be so degraded, that a national undertaking should be treated in such a manner. It is a shame, a disgrace, and a blot upon the fair name of Canada. When we consider the inception of this work, and the object to be attained, the

crime committed by the Government of the day in connection with this undertaking becomes very evident.

It is my purpose and it certainly will be my effort to deal solely with the issue. My very first temptation is to follow my hon. friend, the acting Minister of Railways and Canals (Mr. Reid) in his statement in regard to the Intercolonial railway and the canal system of the Dominion. It is a practice that has been followed for the last quarter of a century that the Minister of Railways should annually present to the House and to the country a statement of the affairs of the Intercolonial railway, and on a more opportune occasion I hope to show how glaringly inaccurate is the statement presented by the acting Minister of Railways. The issue that is presented before this House and the people of this country at the moment, would be clouded if I were to attempt now to deal with matters relating to the Intercolonial railway. The proper consideration of the Gutelius-Staunton report is not a matter of abuse by hon. gentlemen either on the one side or the other. The question is whether there were facts to substantiate that report; whether the gentlemen responsible for it are able and fit to discuss the question, and whether they inquired into this subject honestly and without bias. To that issue I will attempt to devote myself as briefly as I can.

At six o'clock, the House took recess.

The House resumed at eight o'clock.

Mr. EMMERSON: Mr. Speaker, when the House rose, I was stating that it would be my sincere effort to confine myself to the issue. The hon. acting Minister of Railways (Mr. Reid) made his annual budget, in the course of which he referred to the report of the commission appointed to investigate the affairs of the National Transcontinental railway. He was followed by my hon. friend from South Renfrew (Mr. Graham) in a comprehensive and, in my judgment, unanswerable, analysis of that report. That speech was a condemnation of the report and of its authors. The facts and arguments were so magnificently marshalled by my hon. friend that the whole issue of the debate was changed, and the onus was thrown upon the Government, who, through their acting Minister of Railways, had undertaken to uphold that report. My hon. friend (Mr. Graham) tore to shreds and tatters the fabric so carefully prepared by these commissioners in nearly two years of labour. That commission, let it be noted, was issued on the 29th of January, 1912, and the work of the commission was completed early in 1913—certainly before the 1st of May of that year, because, for some weeks before that date, one of the commissioners, Mr. Gutelius, was engaged as general manager of the Intercolonial railway. Thus, after practically a year's work this commission must have been in a position to report. Why is it that that report was delayed for nearly twelve months? In answer to a question asked in this House, it was stated that the report had been signed by Mr. Gutelius on the 12th of February, 1914. That report was evidently a laboured one, certainly it must have been a studied one; for, after the work of the commission was complete, nearly a year was occupied with its preparation. Rumour states that these commissioners were not unaided in their preparation of that report. When we first came here in January last, the rumour in these corridors was that the commissioners were in labour and were aided by the Solicitor General (Mr. Meighen) to bring forth this report.

Mr. J. D. REID: Only rumour, and baseless.

Mr. EMMERSON: I do not vouch for the truth of it.

Mr. REID: There is no truth in it whatever.

Mr. EMMERSON: The Solicitor General is not a member of the Cabinet, but he is a member of the Government, and of all the members of the Government, in the course of a week's discussion of this subject, he is the only one who has attempted to justify this report. It is he who is called upon to act as its godfather. He replied to my hon. friend from South Renfrew. But he did not answer him, and the statements and arguments of that hon. member still stand. I certainly admire the analytical and methodical intellect of the Solicitor General, who commands the admiration of hon. members of both sides of the House. I want to give honour where honour is due, but with all his keenness of intellect, the Solicitor General failed to move the structure which my hon. friend from South Renfrew had erected. The hon. member for South Renfrew had marshalled his facts and his arguments, and as he proceeded step by step the props that supported this

report fell; and in the end he left it sprawling upon the floor of this House with not enough life in it to make it worthy of notice. In the words of Lloyd George applied to an issue presented by the Tory party in England—'it might be compared to a decapitated fowl running headless around the Tory farmyard, and the last cackle was out of it.' Yes, Mr. Speaker, the report was left with merely the echo of a cackle since the hon. member for South Renfrew wielded his weapon against it. This report can be said to be superlatively a nebulous indication of the conditions which the commissioners sought, in the interests of the Tory party, to demonstrate as existing, but the existence of which they ignominiously failed to prove. In all its nakedness and emptiness this report is merely a nebulous indication of what the commissioners would prove if they could. We can only conjecture whence the commission had its origin, and for what purpose? I have no complaint as to the course taken by the Government in issuing a commission. It was their right; perhaps they felt it to be their duty, but the character of the men whom they appointed, and the result of the work they did, condemns the Government in the taking of any action whatever in respect to the matters. The commission and its work is discounted by the most influential member of this Administration—a very distinguished, I might also say a very illustrious member of this Government as compared with those who sit around him. I refer to that veteran of the Conservative party, the hon. Minister of Trade and Commerce (Mr. Foster). The hon. minister seemingly does not on all occasions concur either with the attitude or with the action of his colleagues. It will be recalled that not many months ago there was an election in Lanark, owing to a vacancy caused by the death of the lamented Mr. Haggart, whom we all kindly remember and whose memory we honour. The hon. Minister of Trade and Commerce was speaking of commissions during that election, and he is reported to have used the following language:

> The Lord knows we have plenty of commissions going up and down the country. They are as plentiful as berries in Kazabazua; they waste good ink and paper on reports which are put on the shelves and never read.

I wonder if my hon. friend the Minister of Trade and Commerce had in mind this report when he used those words. He must have had knowledge of it; he knew that it was in course of preparation, and he may have had some inkling as to its contents. Having that knowledge, I wonder if in making these remarks he had any reference to the report which has been tabled and which has been referred to in such strong and unanswerable terms by the hon. member for South Renfrew? There was no action or suggestion of action in this regard by the Government at the time of that election, yet the preparation of the report must have been practically completed. He mentions this report; he mentions these commissions and their general character. Evidently he does not agree with the course pursued by the Government in appointing so many commissions. I am sure that if he were here to-night, and if he were called upon to address himself with regard to this particular report, his language would be much stronger than his language with respect to the results of the work of commissions in general. If all the Government commissions do as badly as this one has done, we should gaze upon the worst lot of bankrupt statesmen the world has ever seen.

Mr. BURNHAM: Grit, or Tory?

Mr. EMMERSON: I care not how you classify them; in the heavens above or on the earth beneath it is quite inconceivable that there should be a parallel to this report. I do not wish in any way to indulge in personal condemnation of the members of the commission. Attention has been given to them individually; my references will be to them collectively in their official capacity and with regard to their work. All I have to say is that they seem to have been square pegs in a round hole. Of all the fundamental tragedies presented in the affairs of this life, none is more lamentable than the attempt of men to do things which they are either incapable of doing or unjustified in doing. I have said that I have no complaint with respect to the Government and their action in issuing a commission. It all becomes a question as to the bona fides and as to the intentions of the Government in creating it. If they were desirous of honest inquiry; if they really felt that some great wrong had been perpetrated by the National Transcontinental Railway Commission and by the Government which was responsible for their appointment, then indeed they were justi-

fied in taking such action. But when one reads this report; when one reads and reflects upon the action of these commissioners, the question arises as to the bona fides of the Government in making the appointment. If they were honest in their desire to have this matter judicially investigated and considered, their manifest duty in the interests of the people of this country would have been to appoint a judicial commission of inquiry that would at once command the confidence of the people of Canada. If such a commission had been created it would have proceeded to inquire into the facts and circumstances connected with the transactions of the commission appointed to supervise the construction of the National Transcontinental railway. It is true that the appointment of the commission of inquiry was, in a way, an accusation against the commissioners responsible for the construction of the road, an accusation against the Government which appointed these commissioners. Would it not have been fair play and British justice to have held that inquiry in the presence of those commissioners and to have permitted them to be present when every witness gave his testimony? It would have been the duty of any such commission of inquiry to permit those in the position of accused to have counsel to represent them and to cross-examine every witness. That would have been a judicial inquiry, and one in accord with the honest desire of any Government that sought, in the interests of the people, to investigate affairs connected with the construction of such a great national undertaking. That course was not taken, and I am sure that no lawyer in this House, reading over that evidence, will say that the method of examination was at all in harmony with the rules relating to evidence that prevail in the meanest courts in the land. Leading questions were put to witnesses. If the witnesses did not answer as they were asked, then the retort was made: You are not with us, you are not with us. With whom? With the commissioners. For what purpose? Evidently they conceived their purpose to be to hunt and nose around and secure evidence and only evidence that would sustain their theory, that would if you will, justify the suspicions and the innuendos of the party which appointed the commission. All other evidence was to be rejected and condemned, and if evidence was suggested that was in any way out of harmony with their preconceived ideas, then the witness was charged with being out of harmony with them and out of harmony with the objects which they had in view.

Some reference has been made to the fact that Mr. Gutelius was an American citizen. It is a suspicious circumstance that he was appointed on January 29, 1912, and that within one month or six weeks he was impelled, by whom inspired I know not, to seek naturalization in the courts of this country. I would not condemn Mr. Gutelius or his evidence because he remained an American citizen; rather I would have had respect for the man who would not sell his birthright for the mess of pottage that was offered him. Why was it? Unfair criticism has been made of the fact that any reference was made to Mr. Gutelius being an American citizen. In 1903, 1904 and 1905 questions arose with respect to the construction of this railway; and the Grand Trunk Railway Company, preliminary to the execution of this great national undertaking, had sent out survey parties to that great northland with a view of securing all possible advance information in connection with a proposed route for a transcontinental railway, and the fact that Americans were employed on those survey parties was made a political issue. Attempts were made to prejudice the people because of the employment of American engineers in making these surveys and the Government of that day appointed a Royal Commission. Did they appoint any party hangers-on?; did they appoint any one interested in sustaining the charge or in refuting it. No, they appointed judge Winchester, one of the judges of the Ontario courts. The Conservative party of that day were so sensitive to the idea that none but British subjects should be engaged in any work in connection with even surveys, that a great hullabaloo was made, the subject was agitated in the newspaper press, the labour men were appealed to, and passions were aroused; and, when these gentlemen opposite, having announced that as their rule of conduct when in Opposition, are found now on the Government Benches appointing an American citizen, they are certainly susceptible to criticism. I care not as to the citizenship of Mr. Gutelius. I believe in reciprocity of brains as I believe in reciprocity in material things between this country and the United States. Canadians in every walk of professional and in-

dustrial and business life are holding eminent positions in the United States, and there should be reciprocity in that regard. But when a man like Mr. Gutelius comes into this country, an American citizen, and lends himself to the perpetration of this work which he apparently was asked to do with an evident purpose and intention, no words can be too severe in condemnation and in criticism of his conduct. The very fact that he ceased to be an American citizen for the mere purpose of enabling him to draw $20,000 or more a year from this Government is something which detracts from his honour, as I am sure all will agree. The report is now before us, and the hon. member for South Renfrew (Mr. Graham) has moved an amendment which clearly states the issue. It contains the kernel of the subject which this Parliament should debate and upon which this Parliament should pronounce judgment; and it reads:

> That the report of the commissioners appointed by the Government to inquire into the construction of the Transcontinental railway is so wilfully partisan and misleading as to be wholly unreliable; that the manifest object of the said commissioners was to misrepresent for party purposes rather than to investigate in the public interest, without regard to the serious consequences to the country or this great national undertaking; and that for the appointment of such commissioners, and for accepting and endorsing their report, the Government deserves the severe censure of this House.

The onus of defence is upon the Government. Before we can properly and satisfactorily deal with this report we must have in memory the inception of this great undertaking. It will be recalled that at the beginning of this century, in 1901-2 there had been brought about a great change in the sentiment of our people with respect to transportation facilities. The great West was filling up and it was necessary that something should be done. We were called upon to meet the conditions of that day, and Sir Wilfrid Laurier, then Prime Minister, took hold of the question. We had, up to this date, been expending hundreds of millions f dollars in subsidizing railways in which the people of this country had no ownership. The leader of the Liberal party conceived it to be his duty in the interest of the people, and to solve the transportation problem, to build a great railway to take care of the transportation of the products of the West. It was to be a railway from ocean to ocean, passing entirely over Canadian soil, and ensuring, if possible, the shipment of Canadian products through Canadian seaports, in summer and in winter. The idea conceived by the right hon. gentleman was presented to Parliament and discussed. While it was not opposed by the people of the country it met with the strongest opposition of certain railway interests. We all know that the Canadian Pacific railway, which up to that time had held a monopoly of transportation privileges in Canada, were most strenuously opposed to the idea of such a railway as that proposed, because they did not want a high grade road in competition with their own. Another great line of railway, a transcontinental in embryo at least, the Canadian Northern railway, were also opposed to the idea. Whether it was because they thought they should be entrusted with the construction, the maintenance and operation of such a railway I do not know; whether they were jealous of the men who secured the privilege of engaging in this great work, I am not here to state, but I do know that their opposition was strong. The Conservative party, who steeled themselves against interfering in any way with the one transcontinental line then in existence—not all the way through Canadian territory, because a part of it ran through Maine—came to the support of this combined opposition, and they have opposed the road ever since. Has the fact that the Canadian Pacific railway opposed the inception and the construction of this competing line anything to do with the opposition of the present Administration? Is this report born because of opposition on the part of the Canadian Pacific railway? It would almost seem as if the appointment of Mr. Gutelius, an ex-employee of the Canadian Pacific railway who, it is said, was loaned to the Government of Canada, was a connecting link, which lends strength to the suspicion that the Canadian Pacific railway were interested in the condemnation of the construction of the railway and of the Government responsible for its construction.

It is self-evident that to rebut the charge of partisanship against the commissioners the Government must explain what public object is to be served by this report, which has not one redeeming feature. Messrs. Gutelius and Staunton have condemned the National Transcontinental railway in its inception; they have condemned its construction, they have condemned the personnel of the commissioners entrusted with the responsibility of constructing the road, and we are now called upon in the face of a report which is unsupported by evidence,

to lend ourselves to a general condemnation not merely of that work, but of Canada and its people.

When the Government approve of the condemnation in the report of the personnel of the National Transcontinental Railway Commission because the lawyers upon it did not have expert knowledge in the construction of railways, I wonder how it is that when only the other day they appointed a man to inquire into the construction of a railway in the constituency of my hon. friend from York (Mr. McLeod), they appointed Mr. R. A. Pringle, a lawyer —an eminent lawyer, it is true—but he is sent by this Government down to New Brunswick to inquire into the construction of a railway built because of a subsidy given by the Government.

The great principle the Government evidently seek to have established is to degrade this great national railway. They say that this road has cost too much. The Conservative Government appears in a new role when they pose as economists. They are vicarious economists. Their frugal spirits are exercised over the horrible extravagance of their predecessors, but they conveniently forget the great Canadian Pacific railway scandal which is a part of the life history of the Conservative party. They have forgotten the scandal over the St. Charles branch, built in the province of Quebec as a part of the Intercolonial railway; they have forgotten the Southampton railway in York, N.B. They, in assuming this role, are at variance with their latest slogan: 'Dash away and spend the money,' a declaration by an hon. member from an eastern province, which was applauded to the echo by the hon. members who surrounded him. They have forgotten all that, and they claim that the Liberal party were extravagant in the expenditure of public money because they constructed a line of railway of a high standard. I feel constrained to make some reference in respect to the gradients of this railway. I am not going to call in engineers, I am not going to ask you to consider the technical evidence that is given in respect to momentum or velocity grades, or whether low grades are necessary. But I will bring forward the evidence of a man who, I am sure, will command the confidence of every person in Canada.

This report contains one self-evident truth and the only statement of truth, apparently, that I find in it, is where it says that the cost of a railway depends principally upon its design. I am sure that all will unite in concurring in the truth of that statement by the commissioners. It does depend upon the character and design of the road. The Government and the Grand Trunk Pacific railway entered into an agreement for the construction of a great national road over Canadian territory of a certain character and of a certain design, and one whose first cost would be its last cost. Therein lies the difference as between the ideas of the engineers. The question of first cost is a very important one. It is important from many standpoints and it is particularly important with respect to the cost of operation. I will not deal with the differences of opinion and theory among enginers; but I will cite James J. Hill who is a practical railway man, not merely in respect to the creation and construction of railways, but with respect to their operation as a business proposition. In June, 1906, Mr. Hill was invited by the Canadian Club of the city of Ottawa to address them, and the subject of his address was 'Transportation.' His words were deemed to be words of wisdom. It was at a time when the fame of Canada had gone abroad with respect to the construction of this great national undertaking. It was heralded abroad that Canada was to construct a line from ocean to ocean with a grade of 0·4 per cent going east and of 0·6 per cent going west, with very small curvatures and he pointed out that this remarkable fact elicited the attention of the people of every land and particularly of the United States. We took pride in it ourselves. We were going to have at Quebec a bridge with the longest span in the world. We were going to have a transcontinental line of railway from ocean to ocean over our own territory of a character that was unexcelled anywhere on this continent and we took pride in the fact. Naturally, our newspapers were speaking of it. The magazines of the United States contained reports month after month lauding the pople of Canada and advertising to the world her great resources and wonderful development. Mr. Hill just about that time came to Ottawa, and in the course of his remarks before the Canadian Club he said:

> In building a railway the principal objective is to overcome the law of gravitation. The nearer the level you can get your road, the better not only for the builders but for the people who will use the road. Your terminal facilities and your grades are the most important if you are going to get a low rate. Winnipeg is the gateway from the West and always will be. What they need out there is an outlet to the market.

These are the utterances of a great railway constructor and railway operator. I

present his testimony in answer to all the evidence that may be given in theory by those who have been trained as engineers. Here is the practical side. Here is a man who has to do with a transcontinental railway, whose business is transportation from the great fields of the American west to the seaboard. He unquestionably lent the weight of his opinion, at a time when there was no controversial question, at a time when he was tendering advice to the people of Canada in regard to their great work, and his testimony must be convincing and must outweigh the mere theories offered by this or that engineer, however eminent. Remember that this question had been considered; remember that the specification and the design of the road, as contemplated by the agreement and by the Act ratifying it, had been signed by the respective parties to the agreement, by the engineers of the Grand Trunk Pacific, by Mr. Schreiber, the engineer of the Government, and by the engineer of the Transcontinental Commission. That specification and that design was accepted and was brought before Parliament, and Parliament was made cognizant of and approved the character of the road, and the people of Canada endorsed Parliament. The building of this road created in the minds of Canadians everywhere a pride in their country, and in the Government which had the courage to undertake such a great work in the interest of the people and to develop our rich resources.

In regard to the opinion of Mr. Butler, I am sure that he will be considered a very eminent engineer, not merely a theorist, but a practical engineer. His testimony given with respect to grades and curvatures has been already cited, and I will not indulge in tedious repetition with respect to it.

There are many things in the report to which I might refer, but I will simply come to what may be considered the final word of the commissioners as they bid farewell to the Government in their report. They condemn first the construction of the eastern section. They had arrived at the decision that if it should have been built at all it was prematurely built and that there might have been delay. The Government now in power say the line should not have been constructed east of Quebec.

Mr. S. SHARPE: Mr. Blair said that.

Mr. EMMERSON: My hon. friend wants to shield himself behind Mr. Blair. It is true that Mr. Blair, in the interest, as he thought, of the Intercolonial railway, condemned the proposed construction of that line. Mr. Blair and the people of New Brunswick and of Nova Scotia wanted a competing railway that would ensure the transportation of the products of the West, in winter particularly, to the ports in the provinces of New Brunswick and of Nova Scotia. That was the great object they had in view. Mr. Blair thought that the Intercolonial railway could do that work, but Mr. Blair was wrong in that. I took that position at that time, and I stand by it now. The Intercolonial railway, immeasurable though the good is that has been done by it, could not, in competition, furnish to the seaports of the Atlantic provinces the products of the West as against Portland and Boston, which are so much nearer. Mr. Blair knew, as I know, as many eminent engineers know, that in order to make it possible for the Intercolonial railway to convey the products of the wheat fields of western Canada to St. John or Halifax, it would be necessary to reduce the grades on that railway. It is well known that if you attempt to get even a 0.4 per cent or a 0.6

9 p.m.

per cent grade over the Intercolonial you will lengthen the line between Lévis and Moncton by over 100 miles. I have that on the authority of two very eminent engineers, and it is certainly reasonable. Any one who travels over the Intercolonial railway knows that you have to travel up and down hill, and that in order to get over the Metis grade, which is one of the highest grades on the Intercolonial railway, the railway has to climb hills, and even the passenger trains have to be split up. It is not many months ago when, travelling to my home from Ottawa, I was on a passenger train containing twelve cars, and I think an official car, and in seeking to go over that grade it was necessary to break the train. That, it is true, is not a frequent occurrence, but it is not unusual. To improve the grades on this and other sections of the Intercolonial, as proposed by this same Mr. Gutelius, would mean that the route of the railway would have to be lengthened in zig-zag fashion. As you go down along the St. Lawrence, you would have to travel up the tributaries of that great river, up and back, up and back, until you cross the divide between the St.

Lawrence waters and the Baie des Chaleurs waters. That would lengthen the line. The difference between a 0·4 per cent grade through central New Brunswick and a 1 per cent grade has been demonstrated to be about 100 miles. That is not mere conjecture, it is a fact demonstrated by the actual surveys made and the evidence presented to this Parliament. What was the great object of going to St. John and Halifax? In the first place, they wanted to reduce the distance between Winnipeg and Canadian seaports. Compare the Canadian Pacific railway with the Intercolonial railway as part of any system and you find that the distance between Winnipeg and Moncton is about 200 miles shorter than by the Canadian Pacific railway route. That was an immense advantage. It is true that in going through New Brunswick difficulties were found which, perhaps, had not been anticipated. Much has been said with respect to the high bridge built at Chipman in the county of Queens. That bridge, high and expensive though it was, was constructed and as a result of its construction the line was shortened by nearly thirteen miles. In order to have built a road of 0·4 per cent grade, you would have to travel nearly across to Nashwaak and go north to the Intercolonial railway and you would come seventeen miles north of the present line to Chipman, and you would have had a line of the same grade as that which has been obtained by the construction of this bridge, it is true, but a line thirteen miles longer. Did the investigating commissioners mention this? Did they ask the Transcontinental Commissioners why they built this bridge at Chipman? No, they did not even seek evidence with regard to it; that would not have suited their purpose.

Now, there is one other feature with respect to this eastern section. I have here the utterance of a gentleman who should have the confidence of hon. gentlemen opposite. It will be remembered that in 1905, questions were arising in this House every day with reference to delays in the construction of the line between Lévis and Moncton. Mr. Crocket, now a judge of the Supreme Court of New Brunswick, appointed by this Government, then a member of this House representing the county of York, repeatedly called the attention of the Government to the delays. On one occasion—and this was only one of many occasions—he spoke upon this subject. This speech was delivered on the 9th of April, 1906, and is reported at page 1443 of 'Hansard' of that year:

Mr. Butler makes a calculation in which he says that the same motive power that will haul 660 tons on the Intercolonial railway, will, by the line secured haul 1,260 tons going east and 990 tons going west. Now, taking that both ways it would be a saving of 41 per cent in the motive power according to Mr. Butler's figures. The same percentage is derived from the figures which Mr. Butler gives in reference to the cost of hauling a given quantity of pay tons over the Intercolonial railway as compared with the proposed Transcontinental railway.

He goes on:

It will thus be seen that the annual operating cost to the Intercolonial railway for the said quantity of freight is $3,016,711.21, while that of the Transcontinental will only be $1,782-518.72, a saving in favour of the Transcontinental of $1,237,192.47, which capitalized at 4 per cent per annum equals $30,854,812.25.

That as I stated would show a saving of 41 per cent in the cost of the operation of the Transcontinental railway by reason of its superior grades.

And further:

We realize that this can very readily be made a pretext by the Government if they are desirous of acceding to the wishes and yielding to the interests of the Grand Trunk Pacific Railway Company by abandoning this section of the road. I sincerely hope, however, that they will not do so and I believe that the people of the Maritime provinces will insist that the Government implement, in the words of the Prime Minister, the solemn pledge that this Parliament has given in connection with the construction of this line of railway. I think it will be conceded upon all hands that the assent of the representatives and of the people of the Maritime provinces to that measure at all was secured upon the faith of the undertaking that the road would be built not only to Quebec but that it would be carried from that point eastward to Moncton.

Mr. Crocket was then speaking on behalf of the Opposition, and his utterances, I am sure, met with the approval not only of his own friends, but also of those who supported the Government of that day. But to-day, in support of the proposition stated by these commissioners that this eastern section should not have been built, we find arrayed a united band of Government supporters.

Every speech made by hon. gentlemen opposite coming from the province of Ontario has emphasized the fact that that portion of the Transcontinental should not be built. Are hon. gentlemen opposite consistent? Did the Conservative party in 1903 or in 1904 bring forward any amendment to the Government proposition, condemning the construction of the line east of Quebec? No such motion was ever presented. The commission appointed to investigate the build-

ing of the Transcontinental say that that line should not have been built, and one reason which they give is that there would not be any traffic. If I had time I could quote from the remarks of the hon. member for North Ontario (Mr. Sharpe) and of the hon. member for Simcoe (Mr. Bennett) to show that they have repeatedly stated throughout this debate that there would not be traffic and that the construction of that portion of the line was unjustifiable. Does the Government concur in that idea? Does my right hon. friend the leader of the Government approve that sentiment? If so, why is he spending $30,000,000 of the people's money in constructing terminals at Halifax and $20,000,000 for terminals at St. John? If the eastern section is not to participate in the traffic from the West; if the grain and other products of western Canada are not to go to the Canadian seaports in winter or in summer, surely the Government are to be condemned for adding $50,000,000 to the $35,000,000 which their commissioners state should not have been expended in the construction of this railway east of Quebec. It seems to me that the Government do not themselves believe in the conclusions of the commissioners with regard to the construction of that line.

There are many things that I could and would say to justify the action of the Liberal party in constructing a line of railway from ocean to ocean over Canadian territory. This has been done; the people have paid their money, and they own the road. The people of eastern Canada contributed to the construction of the Canadian Pacific railway, a railway in which the Canadian people have not one cent of direct ownership, and they have rendered aid to the Canadian Northern Railway system. They have contributed to the construction of our great canal system; they have been called upon to contribute to the construction of a new Welland canal to cost upwards of $50,000,000; they are called upon to contribute to the Trent Valley canal, and it is proposed that they shall contribute to the construction of the Georgian Bay canal. It is also proposed that they shall aid in the deepening of the St. Lawrence canals in order that Toronto may be made a Canadian seaport. The secret of the obtaining of running rights over the Temiskaming and Northern railway from Cochrane to North Bay was divulged but recently in connection with the great delegation that came here. I will not enter into the details, but this report emanated from an ex-official of the Canadian Pacific railway, a gentleman whom I should fairly suppose to be in close communion with that great railway. That gentleman advocates, as did the Grand Trunk Pacific originally, stopping at North Bay and having the traffic come down through the American seaports because that would be the natural channel. The present Minister of Railways is wrapped up in that proposed railway centre, North Bay. The scheme is openly proposed; true, it is but visionary, but speculators in land around North Bay are trading on the idea that the traffic of the Grand Trunk Pacific will find an outlet through North Bay, that it will come down through Toronto, and that a portion of it which does not seek an outlet through Montreal and Quebec will find its way to the seaboard through American ports. The scheme is against the Maritime provinces seaports; it is against the Canadian seaports, and I make the assertion that every movement of the chessboard since October, 1911, has been carefully planned and is in the direction of the consummation of that scheme. This report is brought forward to bring aid and comfort to those who wish to carry out that idea. Let us not sail under false colours; let it be recognized that if the traffic goes via North Bay we are going to be an adjunct of the United States, in so far as our export business is concerned, in winter at least. My right hon. friend the leader of the Liberal party has certainly received the support and commendation of the people of eastern Canada because they believed that he was determined that the products of the West should find an outlet through Canadian seaports, and every act of his and of his Government gave strength to that idea. Had he continued in power the people of eastern Canada would have had confidence in his carrying out that idea to its fullest fruition. But there is a sense of alarm in eastern Canada with respect not merely to the traffic of the Grand Trunk Pacific going down as I have stated, but with respect to the destiny of the Intercolonial railway. It, too, will be made contributory to the companies that have had the monopoly in this land for too many years. This Government seem to be lending their aid to the idea, and I hope that it is not too late to have the movement arrested.

I would wish, Mr. Speaker, that I could have had more time to deal with this subject, because in its many phases it is a big one. There are many things connected with the matter that can only be explained at some length, but time will not permit me to deal with them.

One word as to the cost. They say that this road has cost over $100,000 a mile. Have the people of Canada forgotten the construction of the St. Charles branch? Do they not know that the Government of that day, under Sir Charles Tupper as Minister of Railways and Canals, constructed a line from St. Charles junction down to Levis, a distance of about fourteen and a half miles, and that the cost per mile of that railway was nearly $125,000 per mile? Yet our friends of the Conservative party to-day stand horrified at the thought that a transcontinental line of railway of an entirely different and much higher standard, has been constructed for an amount per mile of about $100,000. If that road had been completed up to the standard designed for it, it would have been without a peer on this continent.

Mr. Speaker, I think that the amendment of my hon. friend from South Renfrew is sustained by the evidence, by the facts, by the circumstances, by the actions and attitude of the Government of the day, and I shall have a very great deal of pleasure in voting for that amendment.

Rt. Hon. Sir WILFRID LAURIER (Quebec East): Mr. Speaker, although this debate has lasted now for more than a week, everybody will agree that the time which has been spent upon it has been time well spent. It has already cleared the atmosphere, it has already removed and dispelled many misconceptions which were floating in the air and which were darkening the fair name of Canada. But the discussion has taken so wide a range, and so many issues have been brought into it, which, although connected with it are entirely irrelevant to it, that it may not be out of place that I should recall to the attention of the House what is the true question now before it. My hon. friend who sits beside me, (Mr. Graham), in concluding the powerful indictment which he brought against the Government and the commission, asserted that the report which has been laid upon the table by the Government was so wilfully partisan and misleading as to be wholly unreliable. This is the effect of my hon. friend's amendment, and this is the question which is now before us. Is this report reliable or not reliable? Is it true or is it not true? Is it partisan or is it fair? That is the only question with which we have to deal at this moment. The volume in which the commissioners have placed their views as to the construction of the National Transcontinental railway bears upon its first page these pompous words: 'Report of the National Transcontinental Railway Investigating Commission.' It has pleased Messrs. Staunton and Gutelius to place upon the volume which they have placed before us this high sounding title 'Report of the National Transcontinental Railway Investigating Commission.' Of course, as we know, paper is impassive, and has to receive everything that is put upon it; but, Sir, if, according to the fitness of things, there should be some connection between title and text, no title could be worse chosen than that which has been placed upon this book. It would be more in accordance with the fitness of things, looking at the report itself and the evidence connected with it, to call it 'The Comedy of Errors, by Messrs. Lynch-Staunton and Gutelius,' for, Sir, in that so-called report there are so many misstatements of fact and so many mis-statements of law, that the book should certainly be called a comedy, or something worse. The counterfeiter who tries to palm off a spurious coin upon the community places upon it the visage and the inscription of the true coin of the realm, and for some time he may deceive the community; but sooner or later the fraud is detected, and the counterfeit is revealed. So it is already in respect to this report. The fraud is discovered, the counterfeit is fully revealed in all its hideousness; and to that counterfeit the Government have been accessories both after and before the fact. They became accessories after the fact when they circulated that report; they became accessories before the fact, when they appointed commissioners who, it was well known from their antecedents, were notorious partisans and could not give us any other report than the distortion of facts which they have placed before us as their opinion on the construction of that railroad.

When this Government came into office they were besieged by their followers and friends to have an investigation into the construction of the National Transcontinental railway. The press of the party had repeated again and again that in the construction of that railway there had been, to the detriment of the community, not only gross errors but fraud. There were assertions that millions of dollars had been diverted from the purposes for which they should have been employed, and had gone into the pockets of individuals for private gain, or still worse. Under such circumstances I am not at all surprised that the Government should have

come to the conclusion that a commission should be appointed. If they believed all that had been said in the press, then, like the rest of the party, they must have worked themselves into a frenzied conviction that their opponents had been as dishonest as had been represented. But even if they did not believe anything of the kind, for my part I do not blame them for having appointed a commission. A work of that magnitude might well have been the subject of investigation so that the public might know the whole history of the transaction from first to last, but, Sir, while I do not attach any blame whatever to the Government for the appointing of a commission, I blame them—and this is a ground of complaint which they cannot avoid—because in the selection of the commissioners they did not do justice to their opponents, to themselves, or to the community at large. Every consideration would seem to require that the Government should have appointed men who, from their well known character, from their reputation in the land, from their antecedents, would have afforded to the community a guarantee that the investigation would be fair and honest, free from fear and free from favour; that the commissioners would disguise nothing, that they would 'naught extenuate nor aught set down in malice,' and that they would make a true deliverance according to the evidence. Is that the character of the two men who were appointed as commissioners? I do not hesitate to say—and I believe upon this I can appeal to the fairness of every man who sits in this House, whether on this side or on that—that in a court of justice these two men would have been challenged for cause, and would not have been allowed to sit upon the jury. As to Mr. Gutelius, I do not want to say anything of him but what is known to the community. In 1911 he was, I believe, an employee of the Canadian Pacific railway in a minor capacity; he did not hold any high office. It is said of him, and I have heard it on good authority, that he took an active part in the election of 1911. Be that as it may, the fact is that no sooner had the present Government and the Minister of Railways come to office, than Mr. Gutelius became the close adviser of the Minister of Railways. From the humble position which he occupied in the employ of the Canadian Pacific railway, and which, as I am told, commanded but a very modest salary, he was hoisted into the office of general manager of the Intercolonial railway; hoisted, I say, and at a salary of $20,000 a year, which Mr. Gutelius is now receiving. That position had been occupied for more than thirty years by Mr. Pottinger at a salary that at no time exceeded $6,000 a year. Without saying anything derogatory of Mr. Gutelius, I say that it would be a lucky day for him, if, when he leaves the position he is now occupying and which has been occupied by his predecessor, he carries with him one-half of the respect which is now surrounding the white hair of Mr. Pottinger. It has been said that it is not fair to any man to put him in the position to choose between his salt and his duty—not fair to the man who earns the salt and not fair to the man of whom the duty is demanded, because sometimes there will be strong temptation when a man has to make such a choice. After having read the report which I now have before me, it seems to me that I am not doing an injury or an injustice to Mr. Gutelius when I say that, in my opinion, in this investigation he was truer to his salt than he was to his duty.

And what of Mr. Lynch-Staunton? If Mr. Gutelius was not known in 1911, the same cannot be said of Mr. Lynch-Staunton. Mr. Lynch-Staunton was very well known. I have nothing to say against him personally. He is, as I understand, a good lawyer, though in my opinion there are better lawyers than he. He is a partisan, but I do not find fault with him for that. I do not know of a man in this House who would disclaim being a partisan. I would not, for my part, but, partisan as I am, I say there are some offices to which a partisan should not be appointed. My hon. friend the Solicitor General dealt with that question; he anticipated the reproach. I have said before, and I am glad to say again, that I am an admirer of the subtle intellect of my friend the Solicitor General, but on this occasion it was hard for him to defend the appointment of such a partisan as Mr. Lynch-Staunton. This is the way, however, that he attempted the task. Speaking in answer to my hon. friend from South Renfrew (Mr. Graham), the Solicitor General said:

> The hon. member knows that in our selection of judges, whose office doubtless compares in dignity and in consequence with that of a commissioner, we are compelled to resort to party lines on one side or the other for appointees; and so the same objections which the hon. member hurls against Mr. Lynch-Staunton

could be hurled against every man appointed to the bench by the Government of which he himself was a member.

It is not exact to say that we are compelled to resort to party lines on one side or the other in making appointments to the Bench. But we have held on both sides that party affiliation was not a bar to the appointment of any man, I believe that experience has shown that though we have appointed men to the Bench who have been actively engaged in politics, of very few, if any, can it be said that they were political partisans when on the Bench. On the contrary, I have no hesitation in saying that in many instances the experience obtained in political life has been of good service to a judge. We expect that as soon as a man ascends the Bench he shall ignore altogether party lines, and if we thought he would remain a partisan we would not think of appointing him. The moment a man has been called to the high functions of arbiter between man and man, if he is worthy of the office, he ought to forget that he ever belonged to a party, and honour his oath that he will administer justice without fear and without favour. Is that the oath that was taken by Mr. Lynch-Staunton? No, Mr. Lynch-Staunton took no oath at all. But even if he took no oath, at all events according to the tenets of our morality, the moment Mr. Staunton received his appointment, if he was to act in a judicial spirit, it was his duty then and there to cease to be partisan. Can that be said of Mr. Lynch-Staunton? It is known that he remained so much a partisan after his appointment, that he left his duty at Ottawa as commissioner to take part in an election. It is obvious that Mr. Lynch-Staunton remained a partisan to the end, and when he wrote that report he was fresh from the campaign in South Bruce. Such were the commissioners.

Let us see how these commissioners performed their duty. If their object in this investigation had been to have the truth, the whole truth, and nothing but the truth, one would imagine that the investigation would have taken place in the full light of day, and that all the proceedings would have been in open court. It is a maxim of law, it is a maxim of justice and it is a maxim of fair play, that there is no fair trial except free and open and public trial. Is that what was done? No, Sir, the commissioners sat in camera. The public were not admitted to their sittings, the press was excluded. They shunned the light, and no light was allowed to filter through except such light as suited the good-will, or the caprice, or the intent and purpose of the commissioners.

If you want to see the immense distance which separated the Conservative party in 1913 and in 1880, look at the investigation that took place in 1880 upon a very similar matter. If there is one man in the history of Canada whose name stands emblazoned as the very incarnation of righteousness and honesty it is Alexander Mackenzie. Alexander Mackenzie, dead, is a model for all men, but Alexander Mackenzie, living, did not escape the fangs of calumny, and when Mr. Mackenzie left office in 1878 there were some accusations against him as there were accusations against those who lost office in 1911. The accusations had reference to the construction of the Intercolonial railway by Mr. Mackenzie, and a commission was appointed by Sir John Macdonald in 1880. Who was the commissioner? The commissioner was not a partisan of the class of those who were appointed in 1912; the commissioner was Mr. Frank Shanly, an eminent engineer of that day. There is no greater name, I believe, in the engineering history of this country than the name of Frank Shanly, unless it be that of his brother, Walter Shanly. Mr. Frank Shanly was absolutely disconnected with politics. The sittings were open, the public were admitted, the press were there and from day to day the public could follow the history of the construction of the road as it was told by the witnesses. No obvious cross-examination was avoided, and everybody knows that there is no evidence which can be accepted as a final expression of truth until the evidence has been subjected to the supreme test of cross-examination. Nay, more, I believe, and I assert, that if this investigation which we have to-day, and the result of which is set forth in the report of Messrs. Gutelius and Lynch-Staunton, had been in the open, and reported from day to day by the press, the results of the investigation would not have been expressed in the terms in which they are expressed in this report.

As to the manner in which the report, or the result of this investigation, was submitted to the public, I have a word to say. In this the commissioners showed themselves not only to be experts, but to be artists as well. The proceedings were behind closed doors. Nobody was admitted, but by some mysterious process which has

not been explained yet, from time to time statements appeared in the press as to what was going on in this investigation. It was stated in the first paragraphs that were sent sent to the press that these commissioners were making awful discoveries. Later on the insinuation was to the effect that millions of dollars were discovered to have been abstracted from the public treasury in connection with the railway. Then the report was to the effect that $40,000,000 had been taken from the treasury in the construction of the road. At last the report was placed upon the table, in manuscript, or to be exact, in typewritten copy. It could not be taken possession of, it could not be read, it was not printed, but an abstract was placed in the hands of the press which could not have come from any other source than from the commissioners themselves, for they alone knew the contents of their report, and in the press of Canada, on the day following, it was stated that as a result of the investigation, the commissioners had discovered that $40,000,000 had been robbed from the public of Canada in the construction of the Transcontinental railway.

We have the report in our hands to-day; we have been able to study it, and, Sir, what is it? It is an unblushing partisan libel. From every syllable partisanship oozes out in an endless flow of misrepresentation and distortion. But, amid all these insinuations, amidst this mass of suppressed and distorted fact, one feature stands out clear and true, and that is that there has been no graft in the construction of the National Transcontinental railway. You say that it cost $160,000,000, but not one dollar has been diverted from the object for which it was voted by Parliament. If it be a fact that it has cost $160,000,000, every dollar of that amount has gone into the construction of the road. The only fault that they charge against us is that we have built too well, too substantially, with too much hope in the future, and too great faith in Canada. Mistakes there may have been; I am prepared to say that mistakes there were, but there is no cause for any man who supported the late Administration to blush at the construction of that road. Our faith in the country was great, but not greater than it should be. Our expectations were high, but not higher than they should have been, and to-day I say that the railway will realize everything that was hoped from it provided that it be not degraded by the men into whose charge it has passed. The commissioners having sought, and sought in vain, for scandals, determined to establish the theory that there had been extravagance and unlawful and fraudulent expenditure.

This report is divided into two parts. The second part contains a detailed statement of all the cases in which it is asserted that there has been fraudulent or extravagant expenditure. The first part is simply an epitome of the second and this is how the commissioners summarize their findings:

> We find that the Transcontinental Railway Commission, the Grand Trunk Pacific railway, and those having charge of the construction of the railway did not consider it desirable or necessary to practise or encourage economy in the construction of this road.
>
> We find that without including the money which was unnecessarily expended in building the railway east of the St. Lawrence river $40,000,000 at least was needlessly expended in the building of this road.

Some hon. MEMBERS: Hear, hear.

Sir WILFRID LAURIER: How these hon. gentlemen cheer! How happy they would be if that statement were true! But, if that statement is false, is there a term strong enough to characterize the calumny which has been perpetrated by the commissioners against the fair name of Canada? I call upon these gentlemen who pretend that this report is true to show us how the commissioners have been able to make up that sum of $40,000,000. My hon. friend from Pictou (Mr. Macdonald) stated yesterday that, on their own figures, they fall short by at least $10,000,000. Torture the figures as you will, take the detailed statements given by the commissioners themselves, and you cannot make up to $40,000,000 what they charge as losses of Canada. I say more; I say that in that report there are statements as to illegal expenditures made by the commissioners which not only cannot be maintained, but which are untrue and dishonest. As an example of this, I call the attention of hon. gentlemen opposite to the finding of the commissioners in regard to the Transcona shops:

> The country has been committed to the expenditure of $4,500,000 for the erection and equipment of the Transcona shops at Winnipeg, which, in our opinion, are not authorized by law and which are, in any event, twice as large as are required for the purposes of the eastern division.

It is stated that this sum of $4,500,000 spent on the Transcona shops has been spent contrary to law. This is the opinion

of Mr. Lynch-Staunton, given in this report, which has been circulated to the extent, I understand, of a quarter of a million copies. According to Mr. Lynch-Staunton, this $4,500,000 has been illegally spent. When Mr. Lynch-Staunton issued that statement he knew that that money had been spent according to law and not contrary to law. Mr. Lynch-Staunton, later on in his report, at page 121, discusses for some ten pages his legal opinion that this expenditure was not according to law. Before I proceed further, I will show how my hon. friend the Solicitor General (Mr. Meighen) has dealt with that subject. In answer to my hon. friend the member for South Renfrew (Mr. Graham), he made use of this language to which I call the attention of the House:

> The hon. member for South Renfrew says that the Transcona shops are another source of great pride to him; that if he had to build them again he would build them just as they are now; and that Mr. Lynch-Staunton is entirely wrong when he argues that the building of the Transcona shops, as a plant for repairs, was beyond the powers of the commission and should have been done by the Grand Trunk Pacific. I was aware, before the ex-Minister of Railways rose, and I think most of us were aware, that Mr. Staunton in that opinion did not agree with the deputy Minister of Justice who gave the late Government his opinions and who gives this Government his opinions. We knew that Mr. Staunton was running counter to the opinions of eminent lawyers in this country, and we knew it was the duty of the Government to heed the opinion of the Department of Justice, but I was not aware, and I am not yet aware, that it was a crime on the part of Mr. Staunton to give his own opinion even if it did differ from that of the deputy minister.

No, it was not a crime for Mr. Lynch-Staunton to give his opinion and to defend it, but it was a crime for Mr. Lynch-Staunton to give to the public his opinion that this money had been spent contrary to the law, when Mr. Lynch-Staunton knew that the courts and competent authorities had decided against him. Lawyers will differ. That truism is as old as the first day there were two lawyers in the world. But when lawyers differ, there must be competent authority to settle their differences, and there are only two ways in which differences of lawyers can be determined, and that is either by having recourse to the tribunals established by law or by voluntary arbitration. In this case it is quite true that Mr. Lynch-Staunton was of the opinion that the shops at Transcona should have been charged to the Grand Trunk Pacific and not to the Government. But this was a case in which Mr. Lynch-Staunton was of one opinion and all the other lawyers were against him. The Deputy Minister of Justice was against him, Mr. Atkinson, the counsel of the commission was against him, Sir Allen Aylesworth was against him, Mr. Brown, the battonier of the Bar of Montreal, was against him, and I think I may say that the Minister of Justice was also against Mr. Lynch-Staunton on this matter. But this, after all, is of no great consequence. The matter had still to be decided between the Grand Trunk Pacific on the one side and the Government on the other, and what took place? The Minister of Railways himself took pains to have the difference of opinion settled. The Solicitor General said the other day that the Government were bound to abide by the opinion of the Department of Justice. So they were; but on this occasion they did not do so, because, while it is true that Mr. Lynch-Staunton was of one opinion and his opinion had been contradicted by the Department of Justice, the Department of Railways did not follow the advice of the Department of Justice, but the Minister of Railways asked Sir William Whyte to act as arbitrator and to decide the question between the department and the Grand Trunk Pacific railway. On the 4th of December, 1912, the following joint telegram was sent to Sir William Whyte by the Minister of Railways and Mr. Chamberlin. I need not say that if there is a man in Canada who is accepted as an authority on railways, it is Sir William Whyte, former first vice-president of the Canadian Pacific railway. The telegram is in these words:

> Will you act as sole arbitrator between the Government and the Grand Trunk Pacific railway to fix the rental to be paid for use of that portion of the Transcontinental railway line between Winnipeg and lake Superior junction pending completion of the entire line through to Moncton. If so, necessary information will be sent you directly and arrangements made with the Grand Trunk Pacific officials at Winnipeg to furnish train so that you can go over the line and make the necessary examination; also any other information.

Upon the assent of Sir William Whyte, the reference was given to him, stating the point for decision, and that point was:

> Are the shops at Transcona and repair shops at divisional points or any of them to be regarded as a portion of the eastern division, within the intent and meaning of the agreements of July 29, 1903, and of February 18, 1904, and Acts affirming the same?
>
> If not, what is the proper rental for the use of such shops, or any of them by the Grand Trunk Pacific Railway Company for any railway purposes they may desire?

This is the form in which the matter was submitted to Sir William Whyte. And the judgment upon the matter pronounced by Sir William Whyte put an end to all contention upon this point, whatever may have been the previous opinion of Mr. Lynch-Staunton. Sir William Whyte's judgment was:

With respect to the shops at Transcona, considering their location and the circumstances under which they were produced and furnished, and the specifications; and interpreting the said agreements and Acts in the light of modern railway practice, and considering the contemplated use of the said eastern division by other railways, I award, order and determine that the said shops are to be regarded as and are a portion of the said eastern division within the intent and meaning of the said agreements of the 29th of July 1903 and the 18th of February 1904 and Acts confirming the same.

I further award, order and determine that all repair shops at divisional points are to be regarded as and are a portion of said eastern division within the intent and meaning of the said agreements of 29th July, 1903, and of the 18th February, 1904, and of the Acts confirming the same. I consider these are a material part of the railway and necessary convenience for its proper and efficient operation.

In the face of this, I say it was dishonest on the part of Mr. Lynch-Staunton and Mr. Gutelius to say that this was still a matter of legal opinion. It was no longer a matter of legal opinion; the matter had been settled, and it was settled against the opinion of Mr. Lynch-Staunton. If the matter was still a matter of legal opinion, the Government could go before the courts to have it determined, but the Government know that they are precluded from that course, and that the matter is closed forever. Yet, Sir, the report has been sent broadcast throughout the country that in this matter the Transcontinental commissioners illegally spent $4,500,000.

Now, what about classification? The investigating commissioners say that about $3,200,000 has been illegally spent through over-classification. This matter also is no longer in issue; and it is no longer in issue because, so far as the Government and the Grand Trunk Pacific are concerned, it was arbitrated and decided. The arbitrators in this case were men of the highest eminence —Mr. Kelliher, for the Grand Trunk Pacific; Mr. Gordon Grant, for the Government, and the third arbitrator, a man of eminent respectability, one of the best men in his line that we have in this country, Mr. Collingwood Schreiber. So far as the Grand Trunk Pacific, who objected to this classification, are concerned, the matter is at rest. But what about the contractors? Can the opinion of Mr. Lynch-Staunton and Mr. Gutelius be raised against the contractors? My hon. friend from North Cape Breton (Mr. McKenzie) answered that yesterday, when he told us that the Government had actually paid these contractors. The Government have not confidence enough in the opinion of Mr. Lynch-Staunton to follow it in matters of law, but they are quite ready to distribute his opinion for partisan purposes.

Before I leave this part of the subject, there is one thing as to which I feel particularly bound to say a few words, I refer to the contracts on sections 16 and 17 held by Messrs. M. P. and J. T. Davis, and with which my name has been connected. It is quite true, Sir, that in the month of August, 1909, I received a letter from Mr. Hays complaining of the delay of Messrs. Davis in carrying out their contract. I do not know that it is necessary that I should read that letter—the House is familiar with it. Suffice it to say that in that letter Mr. Hays called my attention to the fact, as he alleged, that Messrs. Davis had done nothing at all towards the completion of their contract, that they were in default, and that therefore the contract ought to be cancelled. This afternoon my hon. friend from East Simcoe (Mr. Bennett) rather took me to task for not having answered that letter. How does he know I did not answer it? He could not know from the report, because the commissioners did not ask me. It so happened that at the time this letter was written to me I was not in Ottawa, I was in the country, but the letter was forwarded to me from my office, and I answered it in this way:

Arthabaska, P.Q., August 12, 1909.

Dear Mr. Hays,—I am in receipt of your favour of the 2nd instant. I propose to return to Ottawa before the end of this month and if possible will see you in passing through Montreal.

Some hon. MEMBERS: Oh, oh.

Sir WILFRID LAURIER: And I saw Mr. Hays when passing through Montreal.

Some hon. MEMBERS: Oh, oh.

Sir WILFRID LAURIER: What more could I do than discuss the matter with Mr. Hays? Will any one suggest what else I could have done? I did one other thing, I referred the matter to Mr. Parent, the chairman of the commission. I have to take issue with some of the statements that were made in that letter of Mr. Hays advising me that Messrs. Davis had done nothing at all towards the completion of

their contract. Having been appealed to, I thought it might be my duty to make some inquiry as to how the matter stood and I learned that it was contended on the part of Messrs. Davis that they had taken steps towards proceeding on their contract. Everybody knows that in railway construction in those distant far-north parts of the country which were then without communication, it was the first duty of a contractor, and perhaps the most difficult, to get supplies to the scene of his operations. Generally, this could only be done in the winter. Messrs. Davis had two lines by which they could try to reach their contract; one of which was by the Temiskaming railway, and then taking advantage of the railway westward towards Cochrane which was then under construction. The other course was to take the supplies by the Canadian Pacific railway to Nipigon, then use Nipigon lake, carry supplies to the northern shore of that lake, and then use rivers which flow from the north, or, if the rivers could not be used, build a line across. I was told that Mr. Davis had sent a party of surveyors to Nipigon to survey the country and to ascertain whether or not he could take his supplies over that line; I was told that he was engaged in that work during the entire winter, and that he found that there would be no advantage in using this line in preference to the Temiskaming railway, and there the matter stood. It was represented to me that the summer was lost and that they had to wait for the next winter. It was a question whether Mr. Davis was in default; I came to the conclusion that it would be a very risky thing to attempt a lawsuit under such conditions, and that when the contractor had done what he could it would not be fair to him to take any such course. Messrs. Gutelius and Staunton, however, take a different view. On page 52 of their report they say:

> This letter does not contain one reason—

That is the letter of Mr. Parent in answer to Mr. Hays.

> —which justified the commission in its refusal. The contractors were clearly at that time a whole year in default and could have no legal or moral claim to any consideration from the commission.

The commissioners say that Messrs. Davis were clearly in default. Where did they get that evidence? The commissioners examined Mr. Davis under oath, and examined him upon this very contract. If they believed Mr. Davis to be in default, should they not, in justice to him, have asked him whether or not he was in default and to have asked for his reasons? We have here the evidence of Mr. Davis; every hon. gentleman has it in his hand, and can read it—and not a question was put to him upon this point. I shall read to the House all the questions which were put to Mr. Davis with regard to contracts 16 and 17, and which will be found on pages 658 and 659 of the report:

> Q. In connection with contracts 16 and 17, there were two contractors tendering, M. P. and J. T. Davis and the Grand Trunk Pacific railway. Was there any arrangement between you and the Grand Trunk Pacific railway in connection with these contracts?—A. No, sir.
>
> Q. You sub-let these contracts to Mr. M. J. O'Brien and his associates?—A. Yes.
>
> Q. Was there any arrangement between you and M. J. O'Brien in the tendering for these two contracts?—A. No, sir.
>
> Q. M. J. O'Brien did not know he was going to get that contract if you secured it?—A. No, sir.

These were all the questions asked by Mr. Gutelius on that particular point. But the chairman took a hand in the matter, and proceeded to examine Mr. Davis. These are the questions which were put to the witness by Mr. Lynch-Staunton:

> Q. I want to know whether or not there was ever any pressing by the commission to you to commence the work on contracts 16 and 17?—A. No, we got that contract.
>
> Q. Yes, but I am just asking you that. I inquired from Mr. Ryan and he tells me there was not. I just want to have a confirmation of it on your part.—A. I do not think so.
>
> Q. Do you know whether or not there was ever any pressing or urging by the commission to O'Brien and Company to speed the work after they obtained assignments of the contract?—A. No, sir.

One would have imagined that the chairman would have asked Mr. Davis: you have had that contract since October, 1908; what steps did you take towards the performance of your contract? One would have thought that in this way Mr. Davis would have been given an opportunity to state whether or not he had taken any steps to carry out the contract, and if in the opinion of Mr. Staunton the steps taken had not been sufficient, he could have asked Mr. Davis to give reasons to justify his default. Not a question was asked Mr. Davis along this line; yet the commissioners have the audacity to say that Mr. Davis was in default. I ask every hon. gentleman who sits on the other side of the House: is that the kind of justice they would like to have meted out to them? Is that the kind of treatment they are pleased to call British justice? Is it not a principle of British justice that a man is given an opportunity to state his case and give his reasons before a judge

finds him guilty and passes sentence upon him? I say that the very element of simple, ordinary justice was denied to the man who was reported by the commissioners as being in default. I call this not justice, not fair play, not honesty; I call it partisanship, pure and simple.

But it is in the conclusion of their report especially that the commissioners show their animus and disclose the spirit which has inspired their conduct in this whole matter. In that part of the report they attack the construction of the line from Lévis to Moncton. What was their authority for doing so? The construction of the line was a pure question of policy, within the exclusive jurisdiction of Parliament and of the Canadian people. Can we conceive of the Government asking these two men to report upon a question of policy which had been twice submitted to the Canadian people? No, Sir, the Canadian Government knew better; they did not confide such authority to the commissioners. The Order in Council called for one thing and one thing alone, and that was the investigation into the construction of the road. The Order in Council asked:

> For an investigation in respect to the Transcontinental railway between Moncton and Winnipeg, now being constructed under commissioners in accordance with the National Transcontinental Railway Act of 1903, chapter 71, and such investigation should be of a full and comprehensive character, covering all matters bearing on the actual construction of the railway and expenditure thereon, whether direct or indirect, the system adopted for such construction, and the management of the undertaking generally.

Their mission was to investigate how the money had been expended; whether it had been expended economically or otherwise, fraudulently or otherwise, extravagantly or otherwise, but they had no authority whatever to pass judgment upon a question which was one of policy—whether it was wise or unwise, politic or impolitic, to construct that railway or any part of it. Having no authority, then, to do so, why did they go into that question? Not content with that, they made a comparison between the Transcontinental and the Intercolonial. What was their authority for that? They had none whatever. Where did they get their information? They examined fifty-eight witnesses, and, speaking subject to correction, for I do not pretend to know the depositions of these fifty-eight witnesses with such minuteness as to be able to risk a definite statement, I submit that they did not get their information from anything that was deposed under oath by any one of these witnesses.

But, Sir, the source where they found the condemnation of this part of the railway is not far to seek. That was an echo of the speeches of Mr. Lynch-Staunton in 1904 and 1908. He simply put in condensed form what he had been stating in more extended form on many platforms in the province of Ontario. I say in Ontario because we must remember that, as far as that part of the line is concerned, the Conservative party was not a unit upon it. There were those in the Maritime provinces who were in favour of that extension of the line; but in the province of Ontario, on the contrary, every member of the Conservative party was against the construction of the line not only from the St. Lawrence to Moncton, but from Cochrane to Quebec as well. In this very debate the Minister of Customs, now acting Minister of Railways and Canals (Mr. Reid), gave us the benefit of his opinion. On the day this debate commenced the Minister of Customs said:

> I believe that if the Grand Trunk Pacific had been permitted to carry out the charter as proposed by them when they came to Parliament, namely, to build a line from North Bay through to the Pacific coast, at least $100,000,000 would have been saved to the people of Canada.

Of course, if the Grand Trunk Pacific had been allowed to build only from North Bay westward probably the country would have saved $100,000,000, and if the Grand Trunk Pacific had not been allowed to build at all, the country would have saved $200,000,000. Not very long ago the Minister of Finance condemned the building of the line east of Cochrane. He said:

> If a fraction of the money that has been spent on the National Transcontinental railway between Moncton and Cochrane had been spent for agriculture, I do not believe this question of the high cost of living would have been to the front to-day.

I am sorry that my hon. friend the Finance Minister is not in his seat, if he were, I would recall to him that in these words of his there is a little bit of demagogism. Let that pass to-day, we can meet again at Phillipi. But there is the opinion of my hon. friend the Minister of Customs, reflecting that of the whole Conservative party of Ontario, that the line should have been built from Cochrane westward, and that the whole line from Cochrane eastward should have been set aside. In other words, the opinion of the Conservative party in the province of Ontario was that we should have built the railway from the West to Cochrane, and

then let the Grand Trunk Pacific bring the trade to the old Grand Trunk system with Portland as its terminus. We would have saved $100,000,000, says my hon. friend the Minister of Customs, but how much would we have lost of national honour, national profit and nationhood. I have to say to my hon. friend the Minister of Finance that there were overwhelming reasons why this road should have been built east of Cochrane, reasons of a local nature, and reasons of a national character. When we started the idea in 1903 there were many misgivings as to the character of the country which we would open north of the Laurentian mountains. It was supposed that that section of the country, which had up to that time been uninhabited, was uninhabitable, that it was a desert and could be nothing else. We had information, also, that in that section of the country there was a high plateau equal to any portion of the valley of the St. Lawrence or of the valley of the Great Lakes. We now know, the fact is beyond dispute at the present time, that there is a valley east and west of lake Abitibi, 700 miles long and between 60 and 100 miles in width, of the most fertile soil there is on this continent of America, which will grow everything that is grown in the valley of the St. Lawrence or the valley of the Great Lakes except pears and peaches. We know that there are immense rivers flowing from the mountains towards Hudson bay with immense capacities of water-power development. We know, further, that the resources in pulpwood are incalculable, and that if the Governments of Quebec and Ontario are wise and understand how to husband their wealth, these resources will be inexhaustible for all time. It is not a rash prediction to say at this moment that within the life of men now sitting in this Chamber the greater proportion of the paper manufactured on the continent of America will be manufactured along that line of railway.

Sir, this being the character of the country, and for local reasons alone, setting aside for the moment any reason of a national character, I ask the Minister of Finance would it have been fair that we should have built that railway west of Cochrane and left undeveloped that portion of the territory from the St. Lawrence to Cochrane? Would it have been fair that the province of Ontario should have had the benefit of that development, and that the province of Quebec, which contributes its share to the revenue, should have been left behind? Sir, that would be intolerable to think of; and if the Minister of Finance and the Minister of Customs will reflect upon their language of the past, they will henceforth come to the conclusion that this line is one of the best portions of the Transcontinental railway.

What of the portion of the line from the St. Lawrence to Moncton? I had better first quote at length the conclusion of the commissioners:

> This commission does not think that the National Transcontinental railway should have been constructed east of Lévis, which was done at a cost of $35,000,000 first,—because the Government at that time had a railway in operation between Lévis and Moncton, the Intercolonial; second,—because the National Transcontinental railway would only be 33 miles shorter; third,—because the gradients on the National Transcontinental railway are greater than those on the Intercolonial railway; and fourth,—because the grades on the Intercolonial railway can be reduced to four-tenths per cent eastbound and six-tenths per cent westbound, whereas it is practically impossible, according to the construction of the National Transcontinental railway, to reduce the 1.10 per cent grade at 146 miles west of Moncton and the 1.10 per cent grade at lake Pohenagamook.
>
> The traffic on the Intercolonial railway is such that it will in a short time be a business proposition to reduce its gradients which when completed will make it the low grade line between Lévis and Halifax, rather than by way of the National Transcontinental railway, and it is inconceivable that the grade revisions on the Intercolonial railway above referred to will cost more than half of the amount of money expended in the construction of this portion of the National Transcontinental railway.

This is very positive language; but truth and justice will in the end prevail. Justice did prevail in the end, and the end is not far off. It comes in the next paragraph to which I invite the attention of the House. After the building of that section of the railway has been absolutely condemned by Messrs. Gutelius and Lynch-Staunton, they go on to say:

> While there may be some reason for the construction of a railway through the timber districts in the eastern portion of the province of Quebec, the construction of the railway from Edmundston to Moncton was not justifiable because of the lack of local business along this line which two years of operation has already proved.

After all, there was some local reason for building a railway through the timber districts in the eastern portion of Quebec. While there was some reason for the con-

struction of a railway through that portion of the province of Quebec, the railway should, according to the commissioners, have been left in the fields as the Intercolonial was at Lévis years ago, and should not have been prolonged to a point where it could become a transcontinental railway. What sort of reasoning is that in the mouths of these commissioners? If I were to ask these commissioners what local traffic there is on the Canadian Pacific railway between Sudbury and Port Arthur on the lake Superior line, they would have to tell me that there is not one dollar of local traffic on that section of the road. But is that any reason why the Canadian Pacific railway should not have been built? If I were to ask these commissioners to show me one of the many transcontinental railways on this continent every inch of which is productive of local traffic, they would have to admit that there is not one. Could there be anything more partisan than this condemnation of the Transcontinental railway because 99 miles of it, or something like that, would not be productive of local traffic?

The commissioners have admitted that there might be some reason for the construction of a railway through the eastern portion of Quebec, and so there is. Many years ago a charter was given by this Parliament for the construction of a railway in that very section of country; and many years ago that very road was subsidized by the Parliament of this country. It is well known in Quebec that a respectable and powerful company, the Quebec Central Railway Company, was ready and anxious to build a railway in that district. Was it not better if there was need for a local railway that we should make it a part of the Transcontinental? But all these reasons of a local nature are superfluous in this debate. The day is past for criticising that enterprise. To-day the necessity of a railway from ocean to ocean and on Canadian soil is no longer disputed, it is admitted everywhere. It is not disputed in the city of Halifax, which has never received from the Intercolonial the share of the traffic of this continent to which it is entitled. It is not disputed in the city of St. John, which, to bring to its port the western trade, has made sacrifices of almost heroic proportions. It is not disputed in the city of Quebec, which has built its hopes of a new birth on this transcontinental railway. It is not disputed in Montreal, which is anxious to be connected by branch lines with the trunk lines. It is not disputed in Winnipeg; it is not disputed in the western provinces, whose stupendous production is seeking an outlet in all directions, north, south, east and west. When we remember, as has been stated more than once on the floor of this House by my hon. friend from Edmonton, that this year we have 400,000,000 bushels of grain with only 18,000,000 acres under cultivation, And when it is remembered that we have 150,000,000 acres immediately available for tillage, and another 150,000,000 fit for tillage with but little preparation, it is evident to any man who has a proper conception of Canada that we must have that railway in order to do justice to all parts of Canada. Such were the views which influenced us and such were the views which were not accepted by our opponents. If the Conservative party could not rise to the height of this conception perhaps it was more their misfortune than their fault, but it is their fault to-day if they degrade that road from the original conception of the Transcontinental railway simply to make it from Cochrane a local road; a branch for the Canadian Pacific railway.

Some time after the Conservative party came into office we learnt that the character of the road was degraded, and momentum grades had been substituted for the uniform grade specified in the contract. I do not propose at this moment to enter into technicalities as to the effect of momentum grades, but there is one thing which I am going to state to the Government and upon which I impeach them, and it is that they have made those changes without consulting the Grand Trunk Pacific Company and have thereby given the Grand Trunk Pacific power to repudiate their part of the agreement.

When Major Leonard was appointed as commissioner of this railway we were told that at least we had a man of railway experience capable of dealing with these matters. His, it was said, was an experienced hand. We had a right to expect that when Major Leonard decided to change the grade of the railway and the character of the road, he would take the trouble of getting the consent of the Grand Trunk railway which is to lease that road and have joint supervision of it. But we know from a letter addressed by Mr. Chamberlin to the commission that no such precaution was taken. On the 18th day of July, 1912, the following letter was addressed to Major Leonard by Mr. E. J. Chamberlin:

July 18, 1912.

Major R. W. Leonard,
Chairman, Transcontinental Commission,
Ottawa, Ont.

Dear sir,—I learn from our engineers that the standard of work on that portion of the Transcontinental railway between Lake Superior Junction and Cochrane, which was at the outset adopted and has so far been complied with, is being departed from, and that instead of four-tenths grade and permanent structures, you have authorized grades up to one per cent and the erection of temporary wooden structures. In regard to this I would call attention to clause 7 of this agreement of the 29th July, 1913 which provides that the work of construction of the eastern division shall be done according to the specifications approved by the company and shall be subject to the joint supervision, inspection and acceptance of our chief engineer and the chief engineer of the commission. I beg to say if this work is done in accordance with what I understand to be your recent instructions, it will not be in compliance with the agreement nor satisfactory to this company and cannot be accepted.

Mark the words, and cannot be accepted! So, according to this, the Grand Trunk Pacific is at liberty to refuse that part of the road and the consequence will be that the traffic will go as far as Cochrane, then, instead of going to Quebec, will be turned to the right towards the old Grand Trunk system whose terminus is at Portland in American territory. We have had no reason yet assigned to show why this change should have taken place, except the reason of economy. How much has been economized upon that? We have not yet learned. The commission have told us that if momentum grades had been adopted, $6,000,000 would have been saved, but the commission has not told us, Major Leonard has not told us, the Minister of Railways and Canals has not told us, how much this change of grade has saved to the country. It would be a very small sum after all and for that small sum the future of the road is put in jeopardy.

Nor is that all. Since the commissioners set out to find fault with what has been done by the old commission and to show their extravagances, how is it that they have not set down as one of the extravagances of the commission the purchase of 300 acres of land at Cap Rouge at $350 an acre for the purpose of putting the workshops of the Transcontinental railway at Quebec? This selection was made at Cap Rouge as a site for the workshops. It is no longer an issue now. The Government is bound to build workshops upon that section of the road. That has been settled by the arbitration of Sir William Whyte. The old commission was to build the shops at Cap Rouge, but now Major Leonard has changed the site to St. Malo. Two or three days ago the hon. member for Dorchester (Mr. Sevigny) asked me if I was opposed to the transfer of the shops from Cap Rouge to St. Malo, and I understood the point of that question very well. The point is that St. Malo is in the constituency which it has been my pride to represent in this House for more than thirty years. I could not very well understand the animus of the hon. member but, Sir, my answer to his question is that if this transfer of the site is in the interests of the railway I am for it; if it is against the interests f the railway I am against it. The only guide I have in this matter, the only guide my electors, whom I know well, have in this matter is that we should do everything that can be done to make that railway a success and to give the city of Quebec the opportunity of having the trade which must come from the West over the road. That is the first, last, and only consideration. Whether the change is right or wrong I await the opinion of the engineers, and I want to know what the reasons are which induced the engineers to change the shops from Cap Rouge to St. Malo. Reasons there must be since we have now at the head of the commission an experienced railway man,—Major Leonard. I am sure that Major Leonard will explain to us what advantage there is to this railway in moving the shops, which are projected on the railway at Cap Rouge, a few rods only from the St. Lawrence, and putting them in the valley of the St. Charles at least eight miles from the railway. The shops to-day are not on the railway. Somebody may say: surely you do not mean to tell me that these shops destined for the Transcontinental railway are not upon the line of railway? I say they are at least eight miles from the line of railway and to get access to them a new line has to be built, or, as I am told, a tunnel has to be built. My hon. friend the Postmaster General (Mr. Pelletier) told us one day that he wanted to have a tunnel in order to find the heart of Quebec, and know where it is, and the Prime Minister told us also when he was in Quebec that we were to have a tunnel to communicate with the shops and the station. If this tunnel is built I understand that the distance will be shortened and that the shops will not be eight miles from the railway, but only about half a mile. At all events, that is the condition of things. But we must presume that it is all right, although it sounds very absurd, because it was done by a man of railway experience. If it is all right to take these shops eight

miles away from the line of railway and put them in the valley of the St. Charles instead of in the valley of the St. Lawrence, then, Sir, we must condemn the commission for having spent $100,000 in buying the site for these shops at Cap Rouge.

But that is not all. There is also to be a station somewhere in Quebec. The late commission had selected the Champlain market site for the station, a site at the very point where the line reaches the St. Lawrence, and if the station had been put there, passengers could leave the station and walk directly on the steamer. Now it appears that a new arrangement has been made with the Canadian Pacific Railway Company whereby there shall be no station on Champlain market, but the station shall be at the Palais, in the valley of the St. Charles, a considerable distance from the Champlain market. The site of the Champlain market had not been selected at haphazard; the commission had taken every precaution to select the proper place for the station. In the month of October, 1906, the following circular was issued by Mr. Parent:

Ottawa, October 2, 1906.

Dear Sirs:—

Re Quebec Terminals.

I have the honour by direction of the board to advise you that the commissioners have had under consideration the matter of terminals at the city of Quebec for the National Transcontinental railway, but consider it desirable, before making a recommendation to the Government of Canada on this important question, to obtain an expression of opinion from the accredited representatives of the railway and steamship companies having interests in the city of Quebec, the Quebec Harbour Commissioners, and the Quebec Board of Trade, on the question of joint terminals.

The commissioners have accordingly arranged to be in the city of Quebec on Friday, the 12th instant, and would be pleased if your corporation would have a representative present to discuss the matter. The meeting will take place at the Transcontinental railway offices, 147 Mountain Hill, in the city of Quebec, at 10 a.m., Friday, October 12 instant.

Besides the Quebec Bridge and Railway Company, the following corporations have been invited to send representatives to the meeting: The Canadian Pacific railway, the Grand Trunk Pacific railway, the Grand Trunk railway, the Intercolonial railway, the Delaware and Hudson railway, the Great Northern railway, the Quebec Central railway, the Quebec and Lake St. John railway, the Quebec Railway, Light and Power Company, the Allan Steamship Line, the Dominion Line, the Leland Line, the Quebec Harbour Commissioners, the Quebec Transport Company, Limited, Mr. E. C. Fry, Lloyds agent, etc., the mayor of the city of Quebec, the chairman of the Quebec Board of Trade, the chairman of the Quebec Shipping interests, Mr. Power, M.P., Quebec West, and Arthur Lachance, M.P., Quebec Centre, have also been invited to be present.

149½

All the parties here invited, except the Canadian Pacific Railway Company, were present on the day mentioned, and a motion was passed referring the matter to a large committee, which in turn appointed a sub-committee, which consulted agents, and made a report. On the 20th day of November, a month later, the committee met again, and on that occasion the Canadian Pacific railway was represented by Mr. McNicoll, and the following resolution was then adopted:

Recommended that the Champlain market be made the passenger and freight station for the present, at the same time contemplating that at a future date a passenger station be built on the upper level of the city. Recommended that a terminal company be formed by the different railways using the terminals to take over the bridge and its approaches and all the terminals. That part of the cost be assumed by the Government and part by the railways interested as may be agreed upon hereafter, and that legislation be passed at this session of Parliament to sanction such an agreement.

Acting upon this unanimous resolution of all the interests of the city of Quebec, the Champlain market was determined upon as the station, after numerous and complicated negotiations with the city of Quebec. When we went out of office, plans were ready, tenders had been asked for and the contract was signed for the completion of that station. That contract has been cancelled by the present Government in order to have the station not in the valley of the river St. Lawrence but in the valley of the river St. Charles in conjunction with the Canadian Pacific railway. What reason can be assigned for such a change? I have yet to hear a single valid reason why the Transcontinental railway should be made an adjunct, a branch line, of the Canadian Pacific railway. If there is to be a joint station, I could understand why the joint station should not be in the valley of the St. Charles river, but in the valley of the St. Lawrence river, in the vicinity of the Champlain market; but to carry the station from the St. Lawrence river over the other side of the hill, into the valley of the St. Charles river, is putting a blemish on this great national enterprise.

What has been done since then? Three years or more have elapsed, and to-day, if I am correctly informed, the plans are not yet prepared for the building of a station at the Palais. Two days ago the following paragraph appeared in the Quebec Daily Telegraph:

Quebec may secure the desired union railway station—some time.

The latest intimation in regard to the construction of the proposed station is to the effect that the work of erection will be commenced as soon as the plans are prepared.

This exceptionally interesting piece of information has been conveyed to the council of the Quebec Board of Trade in a letter from Mr. R. W. Leonard, president of the Transcontinental Railway Commission, in reply to a letter sent him by the council of the board of trade.

This is the latest information that the construction of the proposed station is to take place as soon as the plans are prepared. How is it that there is not a word in the report of the investigating as to this? The object is very obvious. The commissioners could not touch upon this matter without showing at the same time that the present Government, the men who had the responsibility of finishing this work, are at this moment degrading and changing that road to make it a local road from Cochrane, and a branch of the Canadian Pacific railway.

During this debate it has been my privilege to be taken to task more than one in regard to this enterprise.

11 p.m. I have been told again and again that I am to be held responsible for the construction of this railway. If this statetment, charge, accusation, whatever it may be, is intended as a reproach or a stigma, I accept it as an honour. I hold myself largely responsible for conceiving and trying to carry out the idea of a transcontinental railway on Canadian soil, the best and the shortest of all railways across the American continent. The reasons which impelled me to this course are as strong in me now as they were then. Our first object was to give to the farmer of the West at all seasons, winter and summer, an open communication to the markets of the world, which would never fail; which would relieve him from the necessity of being forced to market his crop between harvest and the close of navigation, thus glutting the market at a time of low prices.

It was our aim and purpose also to open the northern section of our country. If ever there was a danger to the Canadian Confederation, it arose from the fact that there was and is yet north of lake Superior a long stretch of country uninhabited, and supposed to be uninhabitable. It was said that, if that stretch of country was not filled, if the two branches of the community were not brought more closely together, there was a danger that they might drift apart. The Canadian Pacific railway was built at a time when the northern portion of the continent was not known as we knew it in 1903. If the country had been known in 1881 as we knew it in 1903 it is probable that the line of the Canadian Pacific railway would have been placed north of the Laurentian mountains. The line was made along the shore of the lake, and, in respect of the danger I speak of, the Canadian Pacific railway did no service to the country. Well, Sir, we conceived the idea of opening that section of the country, of filling it with a teeming population, of connecting Quebec and Winnipeg with a continuous chain of settlement—villages, towns and farms—so that we might have a continuous, uniform Canada from sea to sea.

[Sir Wilfrid Laurier.]

But that is not all. At that time we had only one transcontinental railway. It was, in my opinion and in the opinion of many, a blemish on that line that in connecting with our eastern seaports it was not all upon Canadian soil, and that part of it was in American territory. Sir, our relations with our neighbours are friendly—the Lord be thanked for it—but if we wish to have our relations continue friendly we must avoid complications, and one of the ways to avoid complications is to owe them no favours. Therefore, we wanted a line upon Canadian territory, so that happen what might, our transportation would be free from international antagonisms.

Nor is that all. We have heard from the Minister of Trade and Commerce (Mr. Foster), during this very session, of the great possibilities which he sees in the Oriental trade. We looked beyond the shores of our own continent and wished to be in the van with the shortest and best route between the Orient and Europe.

All these considerations impelled us—to what? To construct the best road that science could devise or money could build—I use these words for a far nobler purpose than that for which they were used before—our intent was to build that railroad for the development of the higher civilization. We applied ourselves to the task; we fell before the task was completed. And now we find that the men responsible for the completion of the road are trying to degrade it and to reduce this ideal transcontinental railway to a mere local branch road. Sir, responsibilities there are on this side, as responsibilities there are on that side also. On this side we have the responsibility for building; on that side they have the responsibility for destroying. Our responsibility we accept; theirs they cannot evade.

Rt. Hon. R. L .BORDEN (Prime Minister): Mr. Speaker, we have just been favoured by my right hon. friend (Sir Wilfrid Laurier) with an admirable but somewhat abbreviated summary of the speech of the hon. member for South Renfrew (Mr. Graham), added to which are a few decorative flourishes taken from the celebrated speech delivered by my right hon. friend on the 30th July, 1903, in this House. My right hon. friend has quoted fairly liberally from that speech and in his peroration he has described to us the dreadful consequences which, according to his apprehension, are to be the result of the dealings of this Government with the National Transcontinental railway. I would like to ask my right hon. friend here and now, who was the man that in 1911 sought to deprive this railway of traffic by the pact to which he asked this country to agree? That man is none other than the right hon. gentleman who has delivered the flamboyant address to which we have listened, and who on many an occasion since 1911 has renewed his adhesion to that policy. The whole genesis and meaning of the proposal which he brought down to Parliament in 1911 was that all the traffic which, according to his proposals in 1903, should have gone over the National Transcontinental railway should not, in the future, go over that railway, but should go over the United States railways. Here and now I challenge my right hon. friend to contradict that statement.

My right hon. friend has proceeded to deal with these commissioners very much according to the example given him by many hon. gentlemen on his own side of the House. He has told us that these men, neither by character, by position, by ability, or by reputation were fit for the office to which they were appointed.

An hon. MEMBER: That is right.

Mr. BORDEN: Who says that?

An hon. MEMBER: All of us on this side.

Mr. BORDEN: I wish to tell the hon. gentleman who made that statement, whoever he may be, that Messrs. Gutelius and Lynch-Staunton are equal in character, reputation, and record to any hon. gentleman on the other side of the House, bar none, from the highest to the lowest; and, that their character, their reputation and their record can be compared favourably with those who have assailed them in this House.

Now, just one or two observations with regard to these gentlemen. There are some hon. gentlemen in this House, I do not know whether they knew better or not—my right hon. friend did not go quite that far, but he did carry an insinuation along the same line—who sought to impress the idea upon the people of this country that ordinary usage had been departed from in that these gentlemen had not been sworn to the faithful performance of their duties. The right hon. gentleman avoided saying that directly, though he endeavoured to insinuate it, but he knew better, as did others on that side of the House I desire to say that the statute under which these gentlemen were appointed makes no provision for having them sworn, and my right hon. friend knew that when he made the insinuation. I challenge my right hon. friend to name one Royal Commission appointed during his fifteen years of office the members of which were sworn, and so I hope we shall not hear more of any such suggestion.

The character and record of these gentlemen have been condemned, but the highest tribute that could be paid to the thoroughness of their work is the bitterness of the attack that has been made upon them. We were told by the hon. member for South Renfrew that the report is so contradictory and partisan on its face that it condemns itself and requires no refutation, and yet the hon. gentleman spoke for seven hours in a most unsuccessful and vain attempt to refute it. The character of the two gentlemen is called into question by hon. gentlemen opposite. Mr. Lynch-Staunton is a lawyer in the province of Ontario who, in the eyes of hon. gentlemen on the other side of the House, bears the unspeakable disgrace of being a member of the Conservative party. That, of course, was enough to condemn him in their eyes from the first, but, so far as I am aware, no suspicion of a reproach has ever been levelled against George Lynch-Staunton in respect of his personal or professional career. Mr. Gutelius was in a still more perilous position, for he had to endure the misfortune of having been born in the United States, and, according to the expressed assertion or direct insinuation of many hon. gentlemen opposite, his report is absolutely untrustworthy for that reason. There are in this country many thousands of citizens of Canada —men in the East and men in the West—who were born in the United States

of America, and I do not think we have any better citizens than the hundreds of thousands who have come to Canada from the United States during recent years. But, according to the conception of hon. gentlemen on the Liberal benches, these men are to be regarded with disdain and to be looked upon as objects of abuse; and their statements are to be considered as absolutely untrustworthy because originally they were citizens of the United States, although they have seen fit to become good citizens of Canada, and to participate with us in the abundant opportunities which here reward their industry and intelligence. When hon. gentlemen in this House, whoever they may be, descend to argument or suggestion of that kind, it is very evident to me that their case is overwhelmingly weak.

It has been suggested that these two gentlemen were particularly under the influence of the Minister of Railways and Canals. One hon. gentleman told us that Mr. Gutelius was a personal friend of the Minister of Railways and Canals, and that therefore he would be sure to do whatever the Minister of Railways would desire. As a matter of fact, Mr. Gutelius had never met Mr. Cochrane until he was called to his office for the purpose of inquiring whether he would take up certain duties in connection with the Intercolonial railway, and undertake the investigation which has been carried out by Mr. Lynch-Staunton and himself.

Reference has been made to the supposed partisan character of this report and to the fact that Mr. George Lynch-Staunton, being a member of the Liberal-Conservative party, could not be supposed to be capable of making an impartial and judicial examination of this question. I would like to remind hon. gentlemen on the other side of the House that when certain matters were under discussion in 1908 and again in 1910, and when we moved for a Royal Commission, on both occasions the whole question was relegated to the investigation and consideration and report of a committee, first upon the Hodgins charges, and then upon the Lumsden charges. The majority of the Committee in both cases was of course composed of Liberal members. May I ask those who have put forward this charge whether or not the hon. gentlemen on the other side who constituted the majority of that committee and made the majority report were partisans, and if so, whether their reports were absolutely untrustworthy? Hon. gentlemen are on one of the two horns of the dilemma; either the investigations which they held in 1908 and 1910 were, according to their own statement, a mere mockery, or, on the other hand, their assertion that Mr. George Lynch-Staunton's report is partisan because he is a Conservative, does not stand. I desire to add in this connection that so long as hon. gentlemen opposite remained in power, they deliberately and successfully attempted, from first to last, to burke every investigation demanded by the Conservatives. Investigation was burked in 1908; it was burked again in 1910; and when, after it was burked in 1910 before a Committee of this House, we came solemnly before Parliament and asked that a Royal Commission be appointed to investigate the matter, what was the answer? Hon. gentlemen on the other side of the House stood by and voted it down, and if these gentlemen who are now in the shades of Opposition had remained in power there would never have been any investigation of the Transcontinental railway. No one knows that better than my right hon. friend (Sir Wilfrid Laurier). It is somewhat amusing to hear these hon. gentlemen talk now. All this story of overbreak, of excessive classification, of waste, extravagance and unjustifiable expenditure, was put forward by the officials of the Grand Trunk Pacific railway; put forward over and over again through the letters of Mr. Woods, their chief engineer; put forward over and over again and brought to the attention of the Government, and now, after the work has been almost wholly completed, what answer is given to us by some hon. gentlemen on the other side of the House? The answer is, that the hour is past when any effective investigation can be held. Vote down an investigation when there is an opportunity of doing it in the most effective way, then, when the time is past when it can be done effectively, stand up and say: it is too late now; we voted you down when there was an opportunity of holding an investigation, and now the facts can never be disclosed. If hon. gentlemen on the other side are satisfied with their attitude in that regard, I for one cannot congratulate them upon it.

My right hon. friend has not gone so minutely into this report as did the hon. member for South Renfrew, but he said sufficient to make it clear that he possesses very much less knowledge of the evidence and of the report itself, than even he

possessed in 1903 with regard to the cost of the National Transcontinental railway. My hon. friends on the other side of the House do not agree very well among themselves. Some of them say there should have been no investigation; some of them say there should have been an investigation; some of them say there should have been an investigation by a committee of the House, although in 1908 they burked any such investigation for the alleged reason that it should be carried out by experts, and not by a committee of the House. Some of them say it should be by a Royal Commission, and some of them say the contrary. Thus it will be seen they are not very well agreed among themselves; but I suppose I may accept the statement of my right hon. friend the leader of the Opposition, who told us frankly to-night that in his judgment there ought to have been an investigation, although he finds fault with the personnel of the commission. May I ask him why he did not appoint a commission in 1908 or 1910 when these charges were brought to his attention? To-night he says there should be an investigation, and is it not a fair question to ask him: Why did you not give the investigation when in 1910 we asked you to investigate, and when you had the power to name the personnel of the commission yourself? My right hon. friend is silent. Let me give the answer for him. It is that he never intended, had he been returned to power, to have any investigation.

I think that hon. gentlemen opposite, after all, should be rather grateful to this commission, and I shall tell them why. They ought to be grateful because the commission has shown that if proper care and supervision had been exercised, and if the Transcontinental commissioners had been of the right stamp, the right hon. gentleman and his Minister of Finance would have been out in their estimate of the cost only 200 per cent instead of 300 per cent. The commission have shown that this road might have been built for $120,000,000 instead of $160,000,000, but of course there does come the sting that the commission assert that the remaining $40,000,000 was needlessly spent and represents the waste and extravagance that was practised by their commission; and practised, as it would appear from the record, entirely with their concurrence and approval. The situation reminds me of an incident that once took place in a Nova Scotia court. A solicitor had put in a defence in an action against him upon a promissory note. He declared that he had signed the promissory note as accommodation for another person and under an agreement by which the plaintiff had agreed to give to him all his legal business in consideration of his becoming surety upon the note. The judge who tried the case decided as a matter of fact that no such agreement had ever been made. The case went on appeal before Mr. Justice Thomson, who, in giving judgment, dilated upon the disgraceful character of the defence, and said something like this: The learned judge, in his effort to save the defendant from the disgrace of his defence, found it necessary to disbelieve his evidence on oath. And so, this commission, in its endeavour to show that this road could have been built for only double the estimate of the late Government, found it necessary to show that that Government had been guilty of a great deal of waste and extravagance and negligence, to say the least.

What were the conditions in 1903 when my right hon. friend undertook to build the Transcontinental railway? We had the Canadian Pacific railway, a well established transcontinental road; we had in the West the Canadian Northern railway, recognized as a considerable system with no connections in the East; we had the Grand Trunk railway, a great railway system in the East with no connections in the West; and we had the Intercolonial railway, connecting Quebec, and, to a certain extent Ontario, with the Maritime provinces. The Canadian Pacific railway had experienced many vicissitudes but it had then become firmly established. My right hon. friend has paid himself the compliment of saying that he undertook the project of building another transcontinental railway. I will go a little farther and say that in 1903 or 1904 or thereabouts, he embarked upon the project of building two additional transcontinental railways. I say that, because, in 1903, 1904, 1905, 1906, 1908, 1909, 1910, and last but not least 1911, the Canadian Northern railway. under legislation passed by hon. gentlemen on the other side of the House, had acquired the status of a transcontinental railway, and they expressly and definitely recognized it as such in an Act which they passed in 1911. The Canadian Northern railway had established itself in the western part of Canada,

and had four thousand or five thousand miles of line. The Grand Trunk railway in the east of Canada had many lines of railway, and a great mileage, but it had no connection in the West. Thus the question arose as to another national transcontinental railway, and as to the connection of the Canadian Northern railway with the East, and as to the connection of the Grand Trunk railway with western Canada. My right hon. friend embarked upon his policy, and I then suggested to this House, on more than one occasion, that whatever was done with regard to the development of further transcontinental railways in Canada, the six hundred or eight hundred miles north of lake Superior ought to be eliminated, so far as the cost of carriage was concerned, so that the West would be brought close to the East, in the way of transportation; and the tolls otherwise payable over that six hundred or eight hundred miles of uninhabited territory, affording no local traffic for the present at least, would be absolutely abolished. My right hon. friend has referred to that mileage here to-night. Let me say to him that while it was undoubtedly necessary to have one railway through that country, I would think that any government might very well pause before embarking upon the project of building three railways across eight hundred miles of such territory. When my right hon. friend speaks of binding Canada together by transcontinental railways, no project could have more usefully served that purpose than to have acquired one national transcontinental railway across that area of eight hundred miles, double tracked, if you like, as traffic developed, and to have that line of railway operated free of cost to the producers of Canada, whether in the East or in the West. By such a policy it was entirely open to my right hon. friend to have done infinitely more to build up the national ports of Quebec, St. John, and Hailfax, and to bring the East and West of Canada together, than by the plan he did decide upon.

Let us leave that for a moment and see whether there was any need for an investigation into the proceedings of the National Transcontinental Railway Commission. My right hon. friend, in 1903, and his followers throughout the country, said that Canada was to have a national transcontinental railway for $13,000,000.

My right hon. friend did not mean that the cost of the road would be $13,000,000, but he did intend to say that the actual cash outlay to Canada, for interest during the seven year period of no rental, after the completion of this road, would be no more than $13,000,000. I have in my hands one of the campaign documents, issued in the election of 1904, wherein it is boldly stated that Canada under the policy of the Laurier Government was to have a transcontinental railway for $13,000,000. If at that time my right hon. friend had said $300,000,000 instead of $13,000,000 his followers would not have cheered so lustily. What was their estimate? His Minister of Finance estimated the cost at $61,415,000 for a road with 0.4 per cent grades and 6 degrees of curvature. It has cost $100,000,000 more. Why? I would have thought that the hon. member for South Renfrew, and particularly the right hon. gentleman himself who boasts of being the author of that project, would have taken some portion of their time to-night in explaining to the people of Canada why that road exclusive altogether of interest has cost $100,000,000 more than they said it would cost. Mark you, there was no question about it in the House, and there was no question about it in the country. Let me quote from that campaign document:

> **The feature of the bargain in regard to which most of this is done is the financial arrangement. It is an actual fact, an indisputable fact, that $13,000,000 will cover every cent of the country's expense in connection with the railway.**

An indisputable fact indeed! It has cost in all $300,000,000. It has cost without consideration of interest or rental $100,000,000 more than their estimate. My right hon. friend sat down after a two-hours' speech in which he gave not a single word of explanation as to the increased cost. It is right that the people of Canada at the present time, when this Administration has a certain responsibility for that which has been bequeathed to them as a legacy from their predecessors, should know just what this road is costing Canada, and what it is likely to cost Canada in the future. My hon. friend boasts of the bargain as a monument to his wisdom and foresight. The road from Moncton to Winnipeg, according to the engineers appointed by my right hon. friend, will cost $161,307,800. The construction will cover a period of eleven years and for the purposes of estimating interest I take four and a half years as an average which, at 3¾ per cent amounts to $27,220,670, or a total of $188,528,470. I have taken my estimate of the rate of interest from the permanent officials of the Department of Finance. Everything here that does not appear in the record I have taken from the

report made to me by permanent officials of the Government of Canada who were also permanent officials under the Administration of my right hon. friend. Add to the $188,526,470, seven years' interest during which no rental is payable, which amounts to $47,488,729, and you have a total cost. when the road is taken over and interest begins to be payable, of $238,017,199. This country under the bargain made by my right hon. friend must pay without recourse on the bonds guaranteed on the mountain section ($56,342,000), interest at 3 per cent for seven years, which amounts to $11,831,820. The country must also pay the cost of implementing the bonds under the agreement of 1904, clause 8, which will probably amount to to about $12,000,000, but which I am placing at the lowest estimate, $10,000,080. This gives a total of $259,929,019, which does not include the Quebec bridge, the cost of which has been placed at $17,000,000; it does not include the interest for three years on $188,528,470 at 3¾ per cent in case the net earnings of the eastern division are not sufficient to pay that rental, which would amount to $21,209,343, these two amounts totalling $38,209,343. Thus we have a grand total of $298,138,462 as the actual cost to the country of a road that was to be built at an actual outlay to Canada of $13,000,000. If the seven years' interest during the non-rental period were capitalized at the end of that period, the last item of interest would be $26,766,937, bringing the grand total up to $303,705,976, and that would not be an unfair method of computation.

I have not taken into account the fact that there will be in future a one per cent loss on the rental, because while we receive 3 per cent we must pay 4 per cent, and, that being capitalized, as pointed out by my hon. friend from North Grey (Mr. Middlebro), would amount to $45,000,000.

I have not taken into account the loans, $25,000,000, and the guarantee on the western section, $70,000,000.

So I think under the circumstances my right hon. friend will agree that the estimate which he made in 1903 was very misleading to the people of this country, and that he carried the general election of 1904 upon statements which have been absolutely and wholly falsified by the actual facts.

Under these circumstances, is there any man in this House, or is there any man in Canada, who will say to me that it was not the absolute duty of this Government upon obtaining office to make a thorough and impartial inquiry as to why the cost of this road was so enormously in excess of that which my right hon. friend declared in 1903. And let it be borne in mind that when we suggested in 1903 that no survey had been made, that the country had not been explored, and that my right hon. friend was taking a leap in the dark, his only answer was to point to a number of documents on the table and to inform us on this side of the House that we had mountains of information. The mountains of information were evidently not of a very reliable quality.

I place the situation before the country to-night, as one for which the present Administration is not responsible. We raised our voices against it in speech and by vote; we declared that before this project was undertaken there should be a reasonable businesslike inquiry, and that the highest eloquence and the most glowing periods of my right hon. friend in his speech in 1903 were a poor substitute for the reasonable businesslike inquiry which any reasonable man in this country would have insisted upon in respect of his own affairs.

My hon. friend the member for Pictou (Mr. E. M. Macdonald) has gone into the question of responsibility. He said that for everything but $98,000,000, I think, the present Administration is absolutely responsible. As I understand him, $105,000,000 had been paid out before we came into power, and, further, a great deal of work had been done which was not paid for. But does the hon. member for Pictou or any other hon. gentleman in this House suppose that the mere fact of a change of Administration enables the Government of the country to destroy or nullify contracts which have been solemnly entered into by their predecessors? Let us look at that idea for a moment. Suppose the directors of a bank undertook to erect a very expensive bank building, and made a contract for its erection, and that at the next meeting of the shareholders they were turned out of office as hon. gentlemen opposite went out of office in 1911; and suppose that the new directors said to the persons with whom the former directors had made a binding contract: We will not pay you, we were not the directors at that time. Could any one, whether lawyer or layman, have so little comprehension of the binding effect of a legal contract as to put forward any such argument? Yet that is precisely

the argument that was put forward by my hon. friend from Pictou. Absurdity can go no farther. When these hon. gentlemen, in 1905 and 1906, made contracts and bound this country to these contracts, it would be absolute repudiation if we attempted to get rid of them, and, even if we attempted to repudiate, the courts of the country would not permit us, as the hon. member for Pictou and his friends know perfectly well.

The hon. member for Pictou and other hon. members have referred to the personnel of the old commission. I was going to say a word or two with regard to that, but the hour is late and I shall refrain. All I have to say is this: If Sir Thomas Shaughnessy and Mr. Chamberlin when commencing to build a railway should employ a dry goods merchant, a druggist, and a barber to supervise the work, they would be pursuing very much the same course as was pursued by the late Administration, for the Minister of Railways and Canals stood in the same position in regard to the National Transcontinental railway as Sir Thomas Shaughnessy would stand in regard to the construction of any new line of the Canadian Pacific railway. These hon. gentlemen have attacked Mr. Leonard on the ground, forsooth, that he had had no experience. I have a letter under my hand which shows that Mr. Leonard, for twenty-five years before he undertook this work, was engaged continuously in railway construction and operation, and I doubt if you could find any man in Canada who has had a longer experience in that work than the man whom my hon. friend the Minister of Railways and Canals (Mr. Cochrane) selected as chairman of the National Transcontinental Railway Commission.

I did intend to go into this report to some extent had time permitted, but my hon. friend from North Grey (Mr. Middlebro), my hon. friend the Solicitor General (Mr. Meighen) and other hon. gentlemen on this side of the House have dealt with it very fully indeed. I have read this report carefully, and I have listened patiently to the criticisms that have been made on it. It may be that here and there you may be able to put your finger on some trifling error or inadvertence, and it would be singular indeed if such were not the case, as these commissioners, like all the rest of us, are merely human. But in the face of everything that has been stated to the contrary by hon. gentlemen on the other side of the House, and after listening most carefully to what they have had to say, I assert most confidently, and I am prepared to back this assertion by argument wherever necessary, that the report from begining to end, is substantially correct in every important particular. I am not now referring to questions of law or questions of policy, into which the commissioners have gone to some extent, but to the findings of fact. In so far as questions of law in regard to the Transcona shops are concerned, the commissioners have stated frankly the opinion of the Minister of Justice, and Mr. Lynch-Staunton has disagreed with it. My right hon. friend and the hon. member for South Renfrew seem to think that if Mr. George Lynch-Staunton entertained a conscientious opinion in regard to that he should have suppressed it, but I say that it was his duty to state it. In regard to the line from Quebec to Moncton, Mr. Lynch-Staunton has differed from views which I have publicly expressed in this House and on the platform but, I do not hold Mr. Lynch-Staunton in fault for that, in so far as he has felt himself called upon to make any statement in regard to the matter. I point out, that this very fact shows that these gentlemen were not under the control or influence of the Government, and that they were free to express their own thought and belief.

My right hon. friend and the hon. member for South Renfrew reproached us for circulating and publishing this report. What were we to do with the report when it came in? Were we to hide it? It might have been very consoling to them if we had adopted that course, but was it, or was it not, our duty to bring it down and lay it on the table of the House? What is behind this cry about our circulating the report and publishing it? These hon. gentlemen are very much concerned about the report because it justly reflects upon their administration of public affairs, and they can be excused for being a little insistent and a little angry. But I would like to say that if there was in the report, from first to last, as glaring a mis-statement as I heard from my right hon. friend to-night, I would send that report back for correction, or I would suppress it. He has stated that 250,000 copies of the report have been printed by the Government and circulated throughout the country. The actual facts are that

10,000 copies in English and 4,000 copies in French have been printed and my right hon. friend is only about 2,000 per cent out of the way in his statement.

Some reference has been made to the McArthur payment. While I had intended to go over some other mattters, I will not detain the House farther than to deal with that. It has been stated that the commissioners should be condemned because the Government have made a certain settlement with Mr. McArthur, who had contract No. 21. I am very glad that, first, the hon. member for Welland (Mr. German), secondly, the hon. member for Pictou (Mr. Macdonald) and, lastly, the right hon. leader of the Opposition have made some allusion to this, because it enables me to give a certain object lesson to the country and to the House, as to the actual results of the policy carried out by the late Administration. After certain questions had been raised as to over-classification and overbreak, an arbitration took place between the Grand Trunk Pacific Railway Company and the Government. If I remember correctly, that arbitration was carried out by Mr. Kelliher, Mr. Collingwood Schreiber, and Mr. Gordon Grant.

As a result of that arbitration deductions were made in the contractor's estimate of February, 1911, amounting to $512,821.16. It appears from some figures given by my right hon. friend that the deduction in respect to the work done up to the arbitration was only some $429,000, and I suppose the increased amount of $512,821.16 was due to some further estimates made afterwards in respect to which a like deduction was made. Mr. Gordon Grant, on January 23, 1913, submitted to the commissioners Mr. J. D. McArthur's final estimates on that part of the contract extending from mile 2.8 to mile 242. On the same date the board passed a resolution, which I have here, and as it is a matter of some importance, I think I had better place it upon 'Hansard.'

Extract from the Minutes of the Commission, January 23, 1913.

Letter from the chief engineer, dated 23rd instant, submitting for approval final estimate in favour of J. D. McArthur, for work done between the east end of the Transcona yard and the east end of his contract, known as No. 21, being from mile 2.8 to mile 242, district 'F,' under the contract between the commission and J. D. McArthur, dated May 15, 1906, was read, and the said final estimate approved by the commissioner on the condition that contractor McArthur shall accept the same in full settlement of all claims for work done on that portion of the line covered by the said estimate; and the secretary was directed to write to Mr. McArthur furnishing him with a copy of the said final estimate for his information; and if there are any items in it which he disputes, he will bring it to the attention of the chief engineer for further consideration; in the event of a satisfactory settlement with this final estimate, including all such large questions as classification, overbreak, excavations under water, etc., being arrived at with the contractor, then the unpaid estimates for work done on the portion of the contract between the east end of the Transcona yard and the Red river may be paid, less the usual ten per cent hold-back.

Then there is the following letter from Mr. McArthur under date of January 28, 1913, giving the reasons why he could not accept the final estimate. I think it is fair to the present commission, to Mr. McArthur, and to the Government that I should place these reasons before the House, and state distinctly what was done in regard to the payments of this claim.

Ottawa, January 28, 1913.

Mr. P. E. Ryan,
Secretary, the Commissioners of
The Transcontinental Railway,
Ottawa.

Dear Sir,—I beg to acknowledge receipt of yours of the 24th instant, which enclosed an estimate designated as being final for that portion of my contract with your commission, from mile 2.8 to mile 242, being part of contract No. 21.

This final estimate I cannot accept for the following reasons: It is not in accord with the progress estimates that were made by the ex-commissioners' engineers, while the work was in progress, estimates made by them in good faith with the full knowledge and consent of the ex-commissioners and the chief engineer, and on which they were perfectly well aware I was paying my sub-contractors, and they in the same good faith were paying their stationmen.

I understand large deductions have been made in this final estimate by reason of an award made on my work by a board of arbitrators, appointed by the ex-commission and the Grand Trunk Pacific Railway Company, to settle certain disputes that existed between themselves, but which disputes the ex-commission knew perfectly well were no concern of mine, and for that reason I was not a party to this arbitration and was not represented thereon.

Such being the case I herewith decline to accept any deductions on my work that were made by this board of arbitrators. My contract was made with the commissioners and I must protest and strongly object to any deduction being made on the work by an arbitration board to which I was not a party, or on which I was not represented.

Soon after the work was commenced the question of overbreak in rock cuttings came up and finally a meeting was called by the chief engineer under instructions from the commissioners to discuss and decide the matter. This meeting took place at Kenora and was presided over by the commissioners' representative, C. A. Young. The chief engineer, the district engineer and division engineers took part in the

meeting. As a result of this conference the commissioners' engineers allowed all overbreak in the progress estimates until the grading was completed, with the consent and knowledge of the commissioners and their chief engineer, Mr. Lumsden.

The actual amount of rock moved by me was more than double that indicated in approximate estimate under which the work was let. Owing to the limited time allowed me to do this work and the extreme difficulty of obtaining men, and the fact that both the Grand Trunk Pacific and Canadian Pacific railways were also grading in that vicinity, I was compelled to use every means in my power to overcome these obstacles. It was an absolute necessity to blast heavily in order to make satisfactory progress, as the Grand Trunk Pacific were representing to the commissioners that they would suffer pecuniary loss if the work was not finished on time.

I might say that during the season of 1910 I allowed the Grand Trunk Pacific, at the request of the commission, to operate over my contract, giving them possession of tracks, round houses, etc., although not in a finished condition, and the late commission held me responsible for these buildings, etc., in fact I was held responsible to the Grand Trunk Pacific for any derailment of their trains or wrecks that occurred while they were endeavouring to pull wheat over my work, and the pecuniary loss I was put to owing to being compelled to work my ballast train in conjunction with their traffic, cannot be estimated.

It can be readily seen that I suffered a great loss by thus agreeing to the request of the commission and assisting them to carry out their obligations to the country. For this I am asking no compensation.

I will venture to say that no work of this magnitude has ever been undertaken and completed in so short a time in Canada or in America, considering the position of the work, and we have an object lesson to-day in comparison with the dilatory manner the Grand Trunk Pacific are pushing their mountain work.

In conclusion, I claim that the work embraced in my contract will stand comparison with any work of its kind on the continent. I claim that under the provisions of the contract and the directions of the engineers, the returns made at the time are correct and, furthermore, were acted upon to the knowledge of the commission and by the directions of their engineers, settlements were made upon the faith of them.

Yours very truly,
(Sgd) J. D. McArthur.

Then, there is a letter stating the terms which Mr. McArthur is prepared to accept. I will explain how that came about 12 m. In consequence of negotiations between Mr. Grant and Mr. McArthur, on the 31st of January, 1913, Mr. McArthur wrote the following letter to Mr. Leonard:

Ottawa, January 31, 1913.

R. W. Leonard, Esq.,
Chairman,
Commissioners Transcontinental Railway,
Ottawa, Ont.

Dear Sir,—I herewith agree to accept in full settlement of all claims I have against your commission, for work done by me on that part of my contract between mile 2.8 and mile 242, known as contract No. 21.

The final estimate as made by district engineer A. G. Macfarlane, and of which I now have a copy in my possession, provided that any money that has been deducted from this estimate by reason of the arbitration of Messrs. Schreiber, Kelliher and Grant, be added thereto, less the sum of $150,000 (one hundred and fifty thousand dollars), which sum I herewith agree is to be finally deducted from the estimate for reason of over-classification in excavation, and for the waste of solid rock from cuttings by reason of excessive blasting.

Should my claim for the payment of solid rock in foundations at the price of three times item four be allowed by Order in Council, I agree to accept for this item such returns as may be made by the district engineer.

It is also agreed that when this final estimate is checked over should any clerical errors be discovered in the returns as made, the necessary additions or deductions will be made to or from the progress estimate yet to be returned for the work still being done on the incompleted portion of my contract west of Transcona.

Yours truly,
(Sgd) J. D. McArthur.

Then a letter from Mr. Grant, an engineer appointed by these gentlemen themselves:

Inspecting Engineer, F-21.

Ottawa, February 3, 1913.

The Commissioners of the Transcontinental Railway,
Ottawa, Ont.

Sirs:

Re contractor J. D. McArthur's final estimate.

In accordance with the resolution of the board, dated January 23, and the contractor's letter protesting the final estimate, addressed to the secretary, dated January 28, I may say that, after several days negotiation, I effected a settlement with the contractor, as regards all claims he has against the commission on that part of his contract between mile 2.8 and mile 242 (contract 21.)

The terms of settlement are contained in his letter, addressed to the chairman, dated January 31, copy attached.

These terms are, in my opinion, fair and just both to the commission and to the contractor.

I recommend that they be accepted and that you now release all progress estimates now due to Mr. McArthur, less than the usual 10 per cent holdback.

Your obedient servant,
(Sgd) Gordon Grant,
Chief Engineer.

Then a letter from the district engineer:

St. Boniface, Man., February 10, 1913.

Gordon Grant, Esq.
Chief Engineer,
Ottawa.

Dear Sir,

I herewith acknowledge receipt of a copy of the letter written by Mr. McArthur to the chairman, Mr. R. W. Leonard, dated January 31, last, in which he agrees to accept the final estimate prepared by me for the portion of his contract from mile 2.8 to mile 242, with a reduction of $150,000 from the amount that was

previously returned by the engineers on the work, this amount being less than that deducted by yourself in conjunction with Messrs. Schreiber and Kelliher, as arbitrators on questions in dispute between the commissioners' engineers and the engineers of the Grand Trunk Pacific Railway Company.

I note in Mr. McArthur's letter of protest addressed to the secretary of the commission, dated January 28, he states as follows:

> 'This final estimate I cannot accept, for the following reasons: It is not in accord with the progress estimates that were made by the ex-commissioners' engineers while the work was in progress, estimates made by them in good faith with the full knowledge and consent of the ex-commissioners and of the chief engineer, and on which they were perfectly well aware I was paying my sub-contractors, and they in the same good faith were paying their stationmen.'

The above and other statements contained in the contractor's letter are, to the best of my knowledge, correct, and for that reason I am of opinion that the sum above mentioned is sufficient to deduct from the original returns for any errors in judgment the engineers on the ground may have made in the matter of classification, and for rock wasted by reason of excessive blasting in rock cuttings.

That is to say, I consider the settlement you have made with the contractor is fair and just both to the commissioners and to the contractor.

My division engineers are also of the same opinion.

In fact, we are all glad to see this long drawn out dispute which has caused us all so much worry and trouble finally and amicably settled.

Your truly,
(Sgd) A. G. Macfarlane,
District engineer.
(Sgd) Geo. F. Richan,
Division engineer,
Divisions 5 and 6.
(Sgd) M. C. Macfarlane,
Division engineer,
Divisions 7 and 8.
(Sgd) N. B. MacTaggart,
Division engineer,
Division 9.

We, Gordon Grant and B. B. Kelliher, for the purpose of putting an end to all disputes and differences between the commissioners of the National Transcontinental railway and J. D. McArthur under the contract entered into between the commissioners and the said McArthur, covering work upon district 'F', hereby fix the sum of $150,000 as the total amount of the deductions to be made in respect of the said work in substitution for and in lieu of the deductions set forth in those schedules attached to the annexed declaration, signed by us and dated January 19, 1911, which have reference to the work done under said contract.

April 21st 1913.
(Sgd) Gordon Grant,
Chief engineer,
Transcontinental Ry.
(Sgd) B. B. Kelliher,
Chief engineer,
Grand Trunk Pacific Railway.

And so a settlement was made upon that basis. And I have obtained information from Mr. Gordon Grant, who is perfectly familiar with this matter, and who points out to me that Mr. Lumsden, in his circular, sent out with the concurrence and approval of the ex-commissioners said:

> The division and resident engineers in the ground should be the best judges of what is or is not so-called overbreak for which the contractor should be entitled to payment.

Now, it must be borne in mind that during the years 1907-8-9, while the work was being carried on, and during which time this rock was removed, the protests respecting overbreak and over-classification were being regularly received. No action was taken by the commission in regard to them, and the engineers were given to understand that their returns made out in accordance with the commissioners' circular were satisfactory to the commission and would be upheld by them. Therefore Mr. Grant considers, as any man would consider, that the contractor and his sub-contractors were justified in taking the same view, and they did take that view and paid their stationmen and sub-contractors on that basis regularly as the monthly returns went in. Consequently, Mr. Grant considered, as any lawyer in this House would consider, that the commission would not have a leg to stand on in court against Mr. McArthur. But for what reason? For the reason that the commission at that time were not carrying out their duties as the duties of the commission are being carried out to-day. And so I desire to point out this to hon. members of this House and to this country. It is perfectly true that $512,000 worth of work was done for which, according to reasonable business methods, this country ought not to pay on that contract; but it is equally true, that, owing to the acquiescence and approval and general conduct of the commission appointed by the late Administration, this country had to pay that sum, except $150,000 which Mr. Grant succeeded in having deducted in the settlement. But the net result is that the difference between these sums, $362,000, has been absolutely lost to this country—and it is only one instance out of hundreds—due to the fault of the late Government and the commissioners appointed by them.

And more than that, when we come to make a settlement with the Grand Trunk Pacific, no doubt we shall be confronted with the contention that in respect of that $362,000, and in respect of a great many other hundreds of thousands and millions of dollars, they ought not to pay

interest upon it because it was unnecessarily and unjustifiably incurred. And if my hon. friends on the other side can find any consolation or comfort in the result that is brought about by their default and the default of the commission appointed by them, I venture to say they are not doing justice to their own intelligence.

That, Sir, is a full, complete statement of the claim made by Mr. McArthur. I venture to say that the present Government made the best settlement they could make under circumstances and conditions brought about by the late Administration and their commission. The unfortunate part of the whole situation at the present time, is, that in respect of a great many other sums which ought not to have been incurred or paid out, the Government of this country will find itself confronted with the same legal difficulty which confronted it when Mr. McArthur refused to abide by the arbitration to which he was not a party, and threatened to take the Government of this country into court to enforce his claim.

I will not go into the report. I had intended to do so, but the hour is late. Let me say in conclusion: The Government finds itself confronted with the problem of seeing to the completion of two transcontinental railways which were initiated, supported, subsidized and guaranteed by our predecessors in office. We are confronted with the question of seeing them completed or of leaving them uncompleted. The responsibility for initiating the policy which has brought about that condition and for imposing this problem upon the country rests upon those who were then in office and are now in Opposition. But the responsibility for dealing with the situation which they created rests, as it presents itself to-day, upon the Administration. We are not afraid of that responsibility, and we shall deal with it as best we may. In dealing with it, especially in so far as it involves contractual or semi-contractual obligations affecting the public interest, we have to take into account the fact that as 'the King never dies,' so the King's Government never ceases though one party may go out of power and another party may come in. We shall give to the situation, which we did not create and which was brought about against our vote and our protest, the best of our energy and the best of our efforts with a full and abiding sense of the responsibility that rests upon us as trustees for the people of Canada.

[Mr. Borden.]

The House divided on the proposed amendment of Mr. Graham.

That the report of the commissioners appointed by the Government to inquire into the construction of the Transcontinental railway is so wilfully partisan and misleading as to be wholly unreliable; that the manifest object of the said commissioners was to misrepresent for party purposes rather than to investigate in the public interest, without regard to the serious consequences to the country or this great national undertaking; and that for the appointment of such commissioners, and for accepting and endorsing their report, the Government deserves the severe censure of this House.

YEAS:

Messieurs

Béland,	Laurier (Sir Wilfrid),
Bickerdike,	Lemieux,
Boivin,	Loggie,
Bourassa,	Maclean (Halifax),
Boyer,	MacNutt,
Buchanan,	McCoig,
Bureau,	McCraney,
Cardin,	McCrea,
Carroll,	McKenzie,
Carvell,	McLean (Sunbury),
Champagne,	McMillan,
Charlton,	Marcil (Bonaventure),
Chisholm (Antigonish),	Marcile (Bagot),
Chisholm (Inverness),	Michaud,
Cruise,	Molloy,
Delisle,	Nesbitt,
Demers,	Neely,
Devlin,	Oliver,
Douglas,	Pacaud,
Emmerson,	Papineau,
Ethier,	Power,
Fortier,	Proulx,
Gauthier (St. Hyacinthe),	Reid (Restigouche),
Gauvreau,	Robb,
German,	Seguin,
Hughes (Kings, P.E.I.).	Sinclair,
Knowles,	Thomson (Qu'Appelle),
Kyte,	Tobin,
Lachance,	Truax,
Lafortune,	Turgeon,
Lanctot,	Turriff,
Lapointe (Kamouraska),	Verville,
Lapointe (Montreal, St. James),	Warnock and White (Victoria, Alta.)—67.

NAYS:

Messieurs

Aikins,	Lavallée,
Alguire,	Lewis,
Ames,	Macdonell,
Armstrong, (Lambton),	Maclean (York, O.),
Arthurs,	McCurdy,
Ball,	McKay,
Barker,	McLean (Queens, P.E.I.).
Barnard,	McLeod,
Barrette,	Marshall,
Beattie,	Meighen,
Bellemare,	Merner,
Bennett (Simcoe),	Middlebro,
Best,	Mondou,
Blain,	Morphy,
Blondin,	Morris,
Borden,	Morrison,

Boulay,
Bowman,
Boyce,
Boys,
Brabazon,
Bradbury,
Bristol,
Broder,
Burnham,
Burrell,
Carrick,
Chabot,
Clarke (Wellington),
Clements,
Cockshutt,
Currie,
Davidson,
Doherty,
Edwards,
Elliot,
Fisher,
Foster (Kings, N.S.).
Fowler,
Fripp,
Garland,
Gauthier (Gaspe),
Girard,
Green,
Guilbault,
Hanna,
Hartt,
Hazen,
Henderson,
Hepburn,
Hughes (Victoria, O.),
Kemp,
Lalor,
Munson,
Nantel,
Nicholson,
Nickle,
Paquet,
Paul,
Pelletier,
Rainville,
Reid (Grenville),
Robidoux,
Roche,
Rogers,
Schaffner,
Sevigny,
Sexsmith,
Sharpe (Lisgar),
Sharpe (Ontario),
Shepherd,
Smith,
Stanfield,
Steele,
Stewart (Hamilton),
Stewart (Lunenburg),
Sutherland,
Taylor,
Thoburn,
Thornton,
Thornton,
Walker,
Wallace,
Webster,
Weichel,
White (Leeds),
White (Renfrew),
Wilcox and
Wright—105.

PAIRS:

Ministerial.	Opposition.
Crothers,	Clarke (Essex),
Foster (N. Toronto),	Pugsley,
Glass,	Ross,
Jameson,	Richards,
Thompson,	Law,
Smyth,	Gordon,
Stevens,	Clark (Red Deer),
Bennett (Calgary),	Martin (Regina),
Coderre,	Pardee,
Cromwell,	Brouillard,
Martin (St. Mary's),	Lamarche,
Baker,	Kay,
Cochrane,	Graham,
Lancaster,	Guthrie,
Clare,	Cash,
Northrup,	Lovell,
Perley,	Murphy,
Wilson (Wentworth),	Wilson (Laval),
Rhodes,	Macdonald.

Mr. GRAHAM: Had I not been paired with the Minister of Railways, I should, of course, have voted for the amendment I proposed in regard to the National Transcontinental Railway report.

Mr. PARDEE: I am paired with the Secretary of State. Had I voted I should certainly have voted for the amendment.

Mr. ROSS: I was paired with the hon. member for East Middlesex. Had I voted I should have voted for the amendment.

Mr. KAY: I was paired with the hon. member for Brome. Had I voted I should have voted for the amendment.

Mr. STEVENS: I was paired with the hon. member for Red Deer. Had I voted I should have voted against the amendment.

Mr. GUTHRIE: I was paired with the hon. member for Lincoln; If I had voted I would have voted for the amendment.

Amendment negatived, and main motion agreed to.

SUPPLY.

The House in Committee of Supply, Mr. Blondin in the Chair.

Department of Militia and Defence—Contingencies, $8,500.

Mr. LEMIEUX: What is the meaning of the item 'sundries, further amount required, $2,500'?

Mr. SAM. HUGHES: It is for Bell telephone, telegrams, travelling expenses of Fenian Raid Board, expenses of washing towels, transporting mails, postage, subscriptions and petty cash.

Department of the Interior—Contingencies, $35,000.

Mr. BUREAU: Would the minister explain the part of this item which relates to clerical assistance?

Mr. ROCHE: A large number of persons have to be temporarily employed during the summer months, and this is to pay their salaries.

Mr. PARDEE: What is that temporary help required for? $35,000 is a large amount.

Mr. ROCHE: We have had during the summer months as many as 120 temporary clerks. There are over 800 employees in the department, and there are times when the permanent staff are not able to cope with the work.

Mr. BUREAU: Are these temporary employees in the outside service?

Mr. ROCHE: No, they are in various branches of the inside service of the Department of the Interior.

Department of Customs—Contingencies, $5,000.

Mr. BUREAU: What are the sundries in this item?

Mr. REID: That is for minor repairs, etc., to the custom houses throughout the Dominion. Small amounts are paid out from time to time for this purpose, and we are short about $1,600.

Mr. BUREAU: Does not the Public Works Department attend to repairs to custom houses?

Mr. REID: There are some small things we have to attend to.

Department of Inland Revenue—To provide for the promotion of one clerk from the first division, subdivision B, to first division, subdivision A, with the rank of secretary, from October 1, 1913, $250.

Mr. BUREAU: Who is the clerk to be promoted to the first division?

Mr. NANTEL: Mr. Taylor, who is replacing Mr. Himsworth.

Mr. BUREAU: What are the sundries?

Mr. NANTEL: Extra employees during the session, and travelling expenses, etc.

Mr. BUREAU: How many extra employees are there during the session?

Mr. NANTEL: Four.

Post Office Department—Contingencies—Clerical and other assistance, $15,133.32.

Mr. MACDONALD: Before the minister takes up his main Estimates, he ought to respond to the Orders of the House and bring down the returns that have been ordered. The returns that are brought down from his department are different from those of the other departments. Every one of his returns is carefully edited; somebody goes over them carefully and abstracts letters which are frequently necessary in order to carry on the sense of the correspondence. Where the Postmaster General is shown by the file to have written a letter, the letter in reply to which it is written is frequently not on the file. Often these missing letters contain the essence of the whole matter, and the file becomes absolutely unintelligible owing to their absence.

Mr. PELLETIER: Of course, the standing instructions are that private correspondence should remain on the private file, and public correspondence on the public file.

Mr. MACDONALD: You did not observe that rule in the Department of Labour; you did not observe it in regard to me, but brought down letters marked private when it suited you to do so.

[Mr. Bureau.]

Mr. PELLETIER: I cannot follow what my hon. friend says as regards the Department of Labour. I am informed by my friend the Prime Minister that the right hon. leader of the Opposition has made a general complaint about that. Hon. gentlemen behind my hon. friend will bear me out that if they write about any return which is incomplete we try to supply the information required. In a large department like the post office, a document may be easily overlooked, but we are always glad to supply any information that may have been omitted by the officers preparing the files. If my hon. friend will let me know what returns he particularly wishes, I shall take special trouble to press the matter and have the returns prepared. A member of the Opposition has a right to receive returns containing information desired before the Estimates are discussed. Owing to the large number of returns ordered from my department, we have not yet taken up my Estimates. We are well under way in that respect, and hope to take them up before very long. If there are any special files not yet brought down and especially needed, I shall do my level best to meet the wishes of hon. gentlemen.

Mr. MACDONALD: I quite agree that it it not expedient, when an Order of the House is issued, that private correspondence and communications from representatives in Parliament should be brought down. I merely wish to observe that when the hon. gentleman's colleague the Minister of Labour produced to this House certain private letters I wrote to a previous minister, that exemplary rule was broken. I made no complaint at the time because I had no objection to the correspondence being made public, but several hon. members in this House regarded it as a very peculiar circumstance. When my hon. friend brings down a return in answer to an order of this House and produces a letter written by himself, or an official of his department referring to another document which he has received from somebody, when that latter document is not brought down the whole thing becomes unintelligible. Whoever in the hon. gentleman's department is responsible for this matter should comply with the order of the House in making the return.

Mr. LEMIEUX: Since the Postmaster General is willing to revise some of the incomplete returns brought down, might I ask him to add to the return brought down the other day about the purchase of a parcel post and rural mail boxes a list of the

members of the House who were canvassed by the department in regard to the choice of boxes. I understand that about seven boxes were inspected in the office of the superintendent, Mr. Bolduc. Mr. Bolduc says that he took a canvas of ninety-two members of the House and the majority reported in favour of a certain box. I would like to know the names of the members consulted. I have asked several members on this side of the House but they have not been asked to pass judgment upon the boxes. I think Mr. Bolduc should give a list of the names.

Mr. PELLETIER: I understand my hon. friend to say that Mr. Bolduc said so many members were canvassed, but that he did not give the names.

Mr. LEMIEUX: Yes. He said that over ninety members had been consulted. I do not object to that, it is only fair that the members should see the boxes. Some years ago we had the boxes in room 96, where all the members could see them. Mr. Bolduc says in this case that of the ninety odd members canvassed, seventy-five were in favour of a certain box.

Mr. STANFIELD: Regarding these boxes I may say that I was not invited to go in to see them, but I happened to be in there one day and Mr. Bolduc asked my opinion.

Mr. LEMIEUX: Perhaps 'canvas' was not the proper word for me to use. I meant that the opinion of the members was invited.

Mr. PELLETIER: I told Mr. Bolduc, who is the head of the rural mail branch, that as the boxes were for the benefit of the farmers of the country he might show them to members coming into his office in order to get their opinions as to the best box. I did not ask him to keep a list of the members who saw the boxes. I simply asked him to take their opinions so as to find out which box suited them best.

Mr. MARCIL: Will the hon. gentleman take the opinion of members as to the establishment of rural mail routes, or does he confine himself merely to our opinion as to the value of the boxes?

Mr. PELLETIER: I am always glad to hear opinions on both matters. What is the complaint about the routes?

Mr. MARCIL: Rural mail routes are in the interest of the whole community, Liberal and Conservative alike, and I want to know why members are not consulted as to the establishment of these routes, since you are willing they should be consulted as to the kind of boxes. In my constituency the member was not consulted, but a man not even a candidate, was consulted. I would not like to give my opinion on the rural mail boxes at least, if I am not to be consulted as to routes.

Mr. PELLETIER: The choice of a route is left with the inspector or one of his officers. He is supposed to consult the gentlemen who have signed the petition to have the route. I have not had any complaint, so far, that the members have not been consulted.

1 a.m. Mr. MARCIL: If you do not want the members to take any interest in the adoption of these routes, you are going the right way about it.

Mr. EDWARDS: Might I be permitted to say that previous to 1911 the Liberal Government did not consult the member of a constituency as to mail routes, if he happened to be a Conservative.

Mr. MARCIL: You have now the opportunity to improve on that.

Mr. EDWARDS: I am glad that my hon. friend thinks that method could be improved on. I am just giving my hon. friend the facts.

Administration of Justice—Further amount required, $3,000.

Mr. DOHERTY: This is required on account of the expenses incurred in connection with the penitentiary investigation.

Mr. BUREAU: I understand that an investigation was conducted into the fire at St. Vincent de Paul penitentiary, and that there was also an investigation at Kingston. To which does my hon. friend refer?

Mr. DOHERTY: This bears on the investigation at Kingston.

Mr. EDWARDS: I think the minister might leave this item over if it is to do with the commission appointed to investigate conditions in our various penitentiaries. The hon. minister said he would leave one item over until the report came down. I do not feel like voting an amount to pay the expenses of this commission before I see that report. I think I am taking a reasonable ground in making that objection. I am very doubtful if the commission will be entitled to any pay. Of course, that is not an opinion in which a great many would concur. If this item fixes the amount that these men are to be

paid for their work I do not think it should go through. I would like to know what amount these commissioners are to receive?

Mr. GRAHAM: Does my hon. friend want it struck out?

Mr. EDWARDS: No, I do not feel that it should be struck out but I think that I am perfectly entitled to ask that the item which goes to pay the expenses of this commission should not be passed until the commission has completed its work and presented its report.

Mr. EMMERSON: Unless the report is satisfactory to you, you are not satisfied that the commissioners should be paid?

Mr. EDWARDS: The hon. gentleman need not put words into my mouth that I do not utter. I will say all that I have to say without his assistance.

Mr. EMMERSON: I put that question in the tone of inquiry.

Mr. DOHERTY: There can be no possible objection to affording ever opportunity for discussing any question in connection with the penitentiary investigation. There are items in the main Estimates that are yet to be dealt with and they will afford that opportunity. This particular $3,000 is asked for as an addition to the sum voted for miscellaneous expenditures. The reason why our $10,000 vote for miscellaneous expenditure proved insufficient was that the expenses of the commission had to be met and they were not expected. The expenses of the commission have been incurred and have, in large measure, been paid in the course of the past year and we are dealing with the Supplementary Estimates for the year which has just expired. That is the only reason why there is any desire to pass this item now.

Mr. EDWARDS: The passing of this item would have nothing to do with fixing the amount they will be paid?

Mr. DOHERTY: The amount that they were to be paid was fixed at a certain rate per day together with a certain allowance for travelling expenses.

Mr. EDWARDS: What was the per diem allowance of the commissioners?

Mr. DOHERTY: $15 a day and $5 a day for living allowance in addition to actual travelling expenses.

Mr. EDWARDS: I do not think that is an exorbitant amount to pay commissioners if they are any good, but in this particular case I do not think these men are worth 15 cents a day.

Mr. LEMIEUX: What are the names of the commissioners?

Mr. DOHERTY: Mr. G. M. Macdonnell, K.C., Dr. Etherington, Kingston, and Mr. J. P. Downey, Orillia.

Mr. LEMIEUX: And they are not worth 15 cents a day?

Mr. DOHERTY: I can say that I am not willing to concur in that suggestion.

Mr. GRAHAM: Mr. Downey is the superintendent of the Orillia asylum?

Mr. DOHERTY: Yes.

Mr. GRAHAM: How much has the commission cost? There is some reason for the request of the hon. member for Frontenac (Mr. Edwards) although I would not be prepared to say that these commissioners were not worth 15 cents a day when the Government paid these other two gentlemen $65 a day. You are closing up the arrangement with these commissioners as I understand it?

Mr. DOHERTY: The report of the commissioners has not come in, so that their work is not absolutely completed. This is to cover the expenses incurred in the year that has expired.

Mr. GRAHAM: How much have they received?

Mr. DOHERTY: $4,288.90.

Mr. EDWARDS: When will this report be brought down? Will there be an item in the minister's Estimates under which we can discuss the report and the remuneration of the commission?

Mr. DOHERTY: I have not actually received the report yet. As soon as I have received it and have had time to take communication of it it will be brought down. I am expecting it every day. I was told that I might expect it about the middle of the month of March but it has not reached me yet. I understand that it is actually in process of being typewritten. As to there being an item, I have no doubt there will be some balance to be paid to them which will, of course, be in the Estimates for the coming year. In any event there are Estimates dealing with the expenditure on penitentiaries and I can assure the hon. gentleman that there will be no objection to his discussing this matter fully on any item.

Mr. BUREAU: Do I understand from the Minister of Justice that the investigation is now closed, and that all the expense in connection therewith has been incurred and paid, less the $3,000 that he is asking for now?

Mr. DOHERTY: The report of the commission has not come in, and therefore they cannot have been paid for their services because they are not completed. This is to provide an additional amount to what was voted, for miscellaneous expenditure for the year that has just passed, and which sum was $10,000. We are asking for an additional $3,000. The reason why the $10,000 did not meet the miscellaneous expenditure is that we had this unexpected expenditure upon this commission, which amounted to $4,228. We only require $3,000 additional to cover the amount expended in the past year.

Mr. BUREAU: These gentlemen are through with their work of examining witnesses? Are they to be paid $15 per diem while they are working on their report?

Mr. DOHERTY: I anticipate that they will be expected to be paid for the time that they actually devote to the preparation of their report. I have not yet seen the report.

Mr. BUREAU: I wanted to know whether this $3,000 would cover the per diem of these gentlemen while they were preparing their report.

Mr. DOHERTY: It covers simply what has already been paid to them in the past fiscal year.

Mr. BUREAU: Paid?

Mr. DOHERTY: Yes.

Mr. CARVELL: When the minister was speaking of the expense per diem, he said 'the per diem allowance.' Did he mean the per diem allowance as well as the $5 a day? He said that $4,228 had been paid as expenses. Does that mean per diem allowance as well as the expenses?

Mr. DOHERTY: That means the amount paid against the appropriation for the expenses of the commission, that is to say for their per diem allowance.

Mr. CARVELL: What further amounts will be required to meet the expenses of this commission? It seems to be a pretty large amount for so unimportant an item as it appears to be.

Mr. DOHERTY: I cannot give any amounts that would be accurate enough to be worth while. When the hon. member speaks of this as an unimportant item, he does not realize that the work of this commission was not merely an investigation of the conduct of the officials in one penitentiary, although that was an important feature of it. The commissioners were charged with making a general study and investigation of penitentiary systems in addition to that, and to make a general report of possible improvements to penitentiary systems.

Mr. EMMERSON: Have the commissioners been to the Dorchester penitentiary? If not, is it their intention to go there?

Mr. DOHERTY: They have not been to the Dorchester penitentiary, and there is no intention that they should go there. They are investigating the conduct of officials in the Kingston penitentiary.

Mr. McCREA: What was the cost to the country in connection with the Harry Thaw case at Sherbrooke?

Mr. DOHERTY: I have not the information. It would not come within the business of the Department of Justice to deal with that cost.

Exchequer Court of Canada—Contingencies, $8,100.

Mr. BOULAY (Translation): Mr. Chairman, yesterday I inquired as to what had been the amount paid by the Government to the hon. Judge Clement of British Columbia, for travelling expenses,—a payment which has been declared illegal by the court. I was told that the amount was $4,290. I would like to know if Judge Clement has been asked to refund the money?

Mr. DOHERTY (Translation): A lawsuit was taken against Judge Clement and we were given judgment for the amount.

Mr. BOULAY (Translation): Does the fact of having had a judgment against Judge Clement free him from criminal proceedings being taken against any individual under the same circumstances?

Mr. DOHERTY (Translation): The fact that he is a judge does not free him from his responsibility; but whilst the case was being tried, before the Supreme Court, it has been shown that it was by some kind of a mistake that the amount had been drawn by Judge Clement.

Dominion Police—Retiring gratuity to constable E. Spenard, $1,764.17.

Mr. MURPHY: Does that item indicate a new principle?

Mr. DOHERTY: No, the law does not provide a gratuity for the Dominion police, but it is the established custom to pay one. This particular man has served for almost thirty years and is now pronounced physically unfit for duty.

Penitentiaries, $120,000.

Mr. BUREAU: I think we are entitled to some explanation on the various amounts.

Mr. DOHERTY: The supplementaries are larger than usual, because the requirements for the last fiscal year have been considerably under-estimated.

Mr. BUREAU: In what particular branch? I just want to know if it is salaries, repairs, etc.

Mr. DOHERTY: In connection with the estimates of the cost of living, providing food, fuel, etc. The estimates last year were made by a gentleman who is not now an inspector, who, although he has been an inspector for a number of years, has not usually prepared these estimates and who apparently under-estimated the expense of providing for the food of the prisoners, for the heating of the premises, etc.

Mr. PARDEE: Is there not for each of these institutions a fixed annual cost to which the minister must adhere?

Mr. DOHERTY: Our population is sometimes larger one year than another year and sometimes we get certain articles cheaper one year than another year. It is quite impossible to say it is going to cost so much a year to feed the inhabitants of a penitentiary.

Mr. PARDEE: That does not explain the whole of the $120,000.

Mr. DOHERTY: I pointed that out as one reason. At Kingston penitentiary very considerable works have been carried on. At St. Vincent de Paul there were paid for retiring gratuities some $8,000, and the renewal of the electric plant and increased cost of supplies account for the balance.

Mr. BUREAU: That hardly covers the first explanation of the minister that the amount is supposed to be for the increased cost of living and fuel. So far as the feeding of the prisoners is concerned, it is hard to get that to a cent because of the varying population. I do not think an increase in the population would account for the increase in the cost of fuel.

Mr. DOHERTY: I did not say that the whole of this was caused by those things. I have pointed out another thing at Kingston and another very particular thing at St. Vincent de Paul. I mentioned food and fuel, the prices of which are not identical every year, and you may have one winter that calls for a greater consumption of fuel than another.

My hon. friend has misunderstood me or else I did not make myself plain. As I pointed out, at St. Vincent de Paul there were gratuities of $8,000 and expenditure for renewal of part of the electric plant, while increased cost of supplies accounts for the balance. In Dorchester there was increased cost of supplies. An hon. member asks explanation with regard to Saskatchewan. When the institution was taken over by Inspector Hughes the conditions necessitated an exceptional expenditure. A new building containing 106 cells had to be constructed, also new quarters for the deputy warden, a cement and concrete granary and storehouse, stables and pumphouse, and a new water system to replace the one provided by the Public Works Department in 1910.

Mr. EMMERSON: Is there any special reason why we should remain here all night? The hon. minister has mentioned the purchase of additional land at Dorchester. I reside there, and I have not heard of any transfers. I see an additional amount of $5,000 for that penitentiary. I would like to get some information with respect to the additional offices created in connection with this institution during the past year and consequent additions to the salary list. Cannot this stand until to-morrow? If there is no special reason, I do not see why we should be asked to remain here all night.

Mr. W. T. WHITE: These supplementary Estimates are for the year which ended the 31st of March.

Mr. EMMERSON: They should have been taken up sooner.

Mr. WHITE: Possibly, but the debate on the Transcontinental has taken up the time. I postponed my Budget because of that. I think there should be accommodation on both sides. It would oblige us very much if we could get these Estimates through together with one-sixth of the main Estimates. In connection with these supplementaries, the expenditure has all been

incurred, the parties are entitled to their money and they are waiting for it.

Mr. EMMERSON: I do not wish to be obstructive, but there is one item in these Estimates relating to railways which will certainly take some time if it is what I think it is.

Mr. WHITE: The Senate adjourns to-morrow.

Mr. CARVELL: Why should we be kept all night for the Senate?

Mr. WHITE: There is something to be said for that—

An hon. MEMBER: A good deal.

Mr. WHITE: We wish to get the Supply Bill to-night if possible, and get the Senate to pass it to-morrow, and have the assent of the Governor General.

Mr. CARVELL: There are some items in these Estimates concerning which I should like to ask some questions and have some discussion. It seems hardly reasonable to place before us $3,000,000 of Estimates relating to every department of Government, and ask us to put them through without discussion, besides voting one-sixth of the main Estimates. This last, perhaps, is not so serious because we shall have further opportunity to discuss each item. So far as our friends of the Senate are concerned, I should be sorry to see them discommoded, but I do not know that their work is so onerous or the time they give to it so great that they should not stay here as long as is reasonably necessary to do the work for which they were sent here.

Mr. PARDEE: The understanding was that one-sixth of the Estimates was to go through to-night, that the items already passed in Supply should be concurred in, and also that any of these Supplementary Estimates that were non-contentious should go through. I take it that these supplementaries can be gone over, but that any item that any hon. member asks to stand should be allowed to stand. There are several items in these supplementaries that will have to stand over. They cannot go through to-night unless we are to stay here until daylight.

Mr. WHITE: That position seems perfectly fair. The Government is not asking that any item in these Supplementary Estimates about which information is asked should be passed. But I would ask that items that are non-contentious should be passed that we make the Supply Bill accordingly and proceed in accordance with the understanding outlined by my hon. friend from West Lambton (Mr. Pardee).

Mr. GERMAN: To cure the matter, I think I would say that they are all contentious.

Mr. EMMERSON: Penitentiaries will stand.

Mr. WHITE: Yes, penitentiaries stands.

Mr. DOHERTY: Perhaps the hon. gentleman would be willing to discuss on the main Estimates any matters which he wishes to bring forward, and allow these items to pass.

Mr. EMMERSON: The only item I mentioned was Dorchester, and as to that I wish information which, of course, I do not insist upon having to-night, if my hon. friend will be prepared to give it later on.

Mr. DOHERTY: Certainly, I shall be glad to.

Mr. CARVELL: No doubt, it is the wish of members on both sides to be as courteous as possible; but the hon. Minister of Justice (Mr. Doherty) will understand that we have had experience with hon. gentlemen opposite on this point of allowing things to go through reserving discussion for some other time. I have a distinct recollection that last year we passed something like $150,000,000 in two nights after twelve o'clock. I see the hon. Minister of Militia (Mr. Hughes) smiles. He gave us two hours of his time last year, and then we had to put through about $10,000,000 of his Estimates and he did not even do us the courtesy of being present. Along between four and five in the morning we had to put these items through without even having opportunity to ask a question.

Mr. HUGHES: Hon. gentlemen knew that these Estimates were all right.

Mr. CARVELL: I would suggest to the Minister of Justice that he ought not to ask us to put ourselves in that position. But I would like to say, that if it were only the Minister of Justice, then, personally, I would favour letting them go through. But it will hardly do to make fish of one and flesh of another, and so I think we must stand upon our legal rights.

Mr. WHITE: We will try to carry out the arrangement outlined by the hon. member for West Lambton. Any item that any hon. gentleman asks to stand after considering it, I think might stand. But it is very

desirable that these Supplementary Estimates as far as possible should pass.

Arts, Agriculture and Statistics—Experimental Farms—Further amount required to defray expenses arising out of losses sustained by fire at the Central Experimental Farm—Governor General's warrant, $25,000.

Mr. MURPHY: This comes within the category of items with reference to which I sent to the Minister of Finance a note this evening saying that I expected this would come up this afternoon and asking him to bring down certain reports. The items to which I refer are covered by Governor General's warrants.

Mr. WHITE: I have not received that note.

Mr. BURRELL: We had to get the Governor General's warrant, because we had absolutely no funds. The main barn at the Central Experimental Farm was burned last October, and we lost all the machinery and equipment, all the feed produced on the farm, and all the material which was to be used to feed 175 head of cattle, as well as sheep and swine.

Mr. MURPHY: For what was the amount expended?

Mr. BURRELL: $16,000 worth of feed was destroyed, and a portion of the appliances and machinery. We had to make immediate provision for that, as the stock was there and had to be attended to.

Mr. PARDEE: Was there any insurance?

Mr. BURRELL: I think not; the Government usually carry their own insurance.

Mr. MURPHY: I do not wish to start a discussion on this item, but a rather important principle is involved in connection with these Governor General's warrants. I have no objection to this item going through if another be allowed to stand.

Mr. WHITE: As a matter of fact, it has not been usual in the past to insert in the Estimates amounts in respect of which Governor General's warrants have been issued, but I think it is a proper practice, and we have adopted it this year. There is no objection to this item being allowed to stand if the hon. gentleman so desires.

Mr. ROSS: What principle does the Government follow in regard to the insurance of its buildings?

Mr. WHITE: They carry their own insurance.

[Mr. W. T. White.]

Mr. ROSS: I know for a fact that the Federal Government carried insurance on certain buildings in my riding. For instance, there is insurance on a school building on the Munsel Indian reserve. Perhaps the Minister of the Interior can tell me something about it?

Mr. ROCHE: I will inquire about the matter, and give my hon. friend the information.

Mr. ROSS: I know the facts, but I should like to know the principle followed by the Government.

For the administration and enforcement of the Meat and Canned Food Acts—further amount required, $30,000.

Mr. BURRELL: After the Estimates had been prepared early in the year it was found that the expansion of the work necessitated about twenty-two extra inspectors in connection with the abattoirs throughout the country, and this is to pay their salaries and expenses.

Mr. PARDEE: How many of these inspectors are there?

Mr. BURRELL: We cannot tell the exact number; that will depend on the expansion of the whole business.

Mr. DEVLIN: Does the hon. minister insist upon the inspectors being veterinary surgeons?

Mr. BURRELL: Yes, all inspectors have to be veterinary surgeons, and in addition have to pass the departmental examination, which is a pretty stiff one. If my hon. friends will allow this item to pass I will give them all the information they desire when my main Estimates come up for consideration.

Militia and Defence—Dominion arsenal, further amount required, $60,000.

Mr. SAM. HUGHES: In the investigation of the Dominion arsenal, it was found that a great deal of material had been over-run, and on the 1st of November there was a shortage.

Mr. GERMAN: What does over-run mean?

Mr. HUGHES: I do not want to go into the details of the matter to-night, but the $60,000 is for wages and material.

Mr. POWER: Is any part of this amount to be used for the purchase of property?

Mr. HUGHES: None whatever.

Mr. CARVELL: Surely the minister can give some information as to the necessity for this vote. We might as well let the minister understand that if there has been something wrong in his department there are no secrets in Parliament, and we might as well have the whole of it.

Mr. HUGHES: The hon. gentleman will have everything; he will get all the details that are asked for. It is to my advantage that everything should be brought into the open. On November 1, it was found that the $300,000 vote for the arsenal was practically exhausted, there being only $54,000 of it left with which to carry on work until April 1. I do not want to go into the details as I have not all the papers here. It concerns the investigation into the arsenal. A great deal of material had to be destroyed and quantity of material had been purchased in excess of requirements.

Mr. CARVELL: Improperly used.

Mr. HUGHES: Overproduction, purchasing raw material that was required. I do not wish to say anything against the former manager of the factory, who has since retired; but he has expended more in purchasing material than he had calculated upon. It left the factory in this position that we would require $80,000 for the salaries and wages of employees and $30,000 for material, leaving a balance of $60,000 to be provided. There is $14,000 revote out of the $60,000.

Mr. CARVELL: These figures stagger one. How much is the minister spending on that factory ?

Mr. HUGHES: $300,000 a year.

Mr. CARVELL: $300,000 thrown away, worse than wasted; and now the minister wants $60,000 more in order to make good the blunders of some of his officers. It is a wonderful record.

Mr. HUGHES: This is the same vote as for years past.

Mr. CARVELL: Why not close the whole thing down anyway, what is the good of it?

Mr. HUGHES: I think it is a very good institution and that it serves a useful purpose.

Mr. CARVELL: Why not turn it into a fertilizer factory and make something that would be of service to the country ?

National Transcontinental Railway—Refund of security deposited by George Goodwin on tender, station building between Cochrane and Superior Junction, $27,500.

Mr. REID: This is a refund to Mr. Goodwin of $27,500. He tendered for some work on the National Transcontinental and that was the amount which he put up. He was the lowest tenderer, but was so low that he could not go on with the work and we are giving him back the money.

Mr. GERMAN: I do not remember seeing a vote of this kind for a refund.

Mr. BORDEN: It would not have been necessary if the refund had been made within a year. I know something about this personally, and I really think that Mr. Goodwin is entitled to get his money back. I think they were too sharp, they gave him notice within the time in which he might accept. I believe he stated orally that he would not accept, but his formal notification was too late and he was notified that his deposit would be forfeited. I think he is within his legal right. In view of this, I think he is entitled to have the money back.

Mr. KYTE: Is it the practice to make refunds to tenderers who for any reason refuse to enter into a contract ?

Mr. BORDEN: It depends altogether on the reason. Sometimes they are forfeited, sometimes they are not. The circumstances in this case appealed to me very strongly on behalf of Mr. Goodwin and I therefore spoke to the minister about it.

Mr. KYTE: I have in mind the case of gentlemen in Halifax who put in a tender in connection with the Prince Edward Island car ferry, whose deposit, a very considerable sum, is at present in the hands of the Railway Department. An application has been made for a refund. Has any action been taken ?

Mr. BORDEN: I have had that under consideration also. I discussed it with the Minister of Railways. The minister holds a rather strong opinion on it, but I think there is something to be said for the other side of the case. I hope to take it up with the acting minister.

Mr. GERMAN: It seems to me a pretty dangerous precedent to establish, to give back the deposit put up by a contractor because he is supposed to be too low. It is a question how far that should go.

Mr. BORDEN: I think cases of that kind should always be submitted to Parliament.

Board of Railway Commissioners—To pay expenses in connection with cases before the—Further amount required, $35,000.

Mr. REID: This is a vote for the Railway Commission. Much of the expenditure will be made in connection with cases coming before the board in which the public are interested, such as the western freight rates and the telephone inquiry.

Mr. DEVLIN: It includes travelling expenses ?

Mr. REID: Oh, yes, everything.

Experimental Farms—Tobacco curing stations, $12,091.65.

Mr. DEVLIN: Where are the tobacco curing stations?

Mr. ROGERS: At Indian Head.

Port Credit, purchase of property for harbour, $344.20.

Mr. GERMAN: Has the Government purchased Port Credit Harbour?

Mr. ROGERS: I think we did, but I am not quite sure.

Mr. GERMAN: How much was paid for it?

Mr. ROGERS: I can get my hon. friend the information, and let him know tomorrow.

To pay claim of Hinton & Company, $500.

Mr. PARDEE: What is that?

Mr. ROGERS: This is to pay a balance due Hinton & Company on a contract.

Mr. CARVELL: Do I understand that the Department was to furnish the wire and cable, and that they did not arrive there in time? Is that the reason for this extra vote? The item is small, but it seems a most remarkable thing to make a contractor a present of $500.

Mr. ROGERS: We are not making him a present. $500 is the amount required to settle the whole account between the contractors and the department.

2 a.m.

Mr. CARVELL: Does the minister know whether the department furnishes the wire and cable?

Mr. ROGERS: That was in the contract.

Investigating claims in regard to Pelagic Sealing Treaty, $7,000.

Mr. PARDEE: What is that for?

Mr. HAZEN: My hon. friend is aware that under the treaty entered into with the United States, with Russia and Japan pelagic sealing is done away with. Canada is paid 15 per cent of the sealskins thrown upon the shore by the United States, 15 per cent by Russia, and 10 per cent by Japan. The United States has paid us $200,000 as an advance payment. Pelagic sealing is now abolished.

That has been received. Claims were made by those who were engaged in the sealing business and in order to arrive at the amount which would be paid to those whose living and occupation have been interfered with, Judge Audette of the Exchequer Court was appointed a commissioner to investigate. Some 1,500 claims have been submitted. We had a sum placed in the Estimates for the year ended March 31, of $10,000. Judge Audette has been proceeding with the work and it was found that the $10,000 was insufficient. Only a comparatively small amount will have to be voted in the Supplementary Estimates for the year commencing April 1, in order to finish the work which is now well under way and which will be finished during the summer. It is to make provision for this work that this amount is required.

Dominion Lands and Parks—To pay expenses connected with water power investigations and reports in Manitoba, Saskatchewan, Alberta and Railway Belt in British Columbia, $20,100.

Mr. CARVELL: Is this a new item, or a further amount required?

Mr. ROCHE: This is a further amount required.

Mr. PARDEE: What is this water-power investigation?

Mr. ROCHE: We had a vote of $114,000 and we require $20,000 to complete the service.

Mr. PARDEE: Who compose this commission?

Mr. ROCHE: It is not a commission. We have a water-power branch in connection with the Interior Department of which Mr. Challies is the head. Mr. Hendry is one of the water-power engineers.

Miscellaneous—British Columbia Better Terms Commission, $3,500.

Mr. MURPHY: What is that?

Mr. BORDEN: A commissioner was nominated on behalf of the province of British Columbia and one on behalf of the Dominion. The two men were appointed by Order in Council. The British Columbia case has been filed. The case for the Dominion has not yet been filed but it is in course of preparation. In the meantime a third commissioner has not been appointed as it is undesirable to bring him

from England before he is actually needed here.

Mr. EMMERSON: Who are the commissioners on behalf of British Columbia and of the Dominion?

Mr. BORDEN: The commissioner for British Columbia is Mr. Bodwell, K.C., and for the Dominion, Mr. Lash, K.C.

Expenses under the Canada Temperance Act —Further amount required, $20,000.

Mr. GERMAN: What is this for?

Mr. PELLETIER: The expenses are very much increased. This is to cover the expenses already incurred in the recent elections under the Act in the counties of Huron, Peel and Welland, and the cost of preparing the voters lists in the unorganized districts of Ontario. There was very little interest shown in the Canada Temperance Act for many years, and elections under it had become comparatively infrequent, but it has been the custom to place in the Estimates $500 or $1,000 to meet the expenditure. This year the expenditure has been much greater on account of a kind of revival of the Act.

To provide for the purchase of 600 copies of the Parliamentary Guide—Further amount required, $600.

Mr. BOIVIN: What is this $600 for?

Mr. PELLETIER: For many years the Government have bought 600 copies of this guide, but through a clerical error only $600 was provided for in the Estimates, and this is to correct the mistake.

Mr. BOIVIN: What becomes of the 600 copies?

Mr. BORDEN: They are distributed to members and senators.

Mr. CARVELL: Is that annual?

Mr. PELLETIER: Annual.

Mr. BORDEN: Formerly, I think, it was only every other year. But I think it is now carried on every year, in accordance with the practice of other parliaments.

Mr. BOIVIN: It is a very good work, and I did not intend to criticise it, but I merely wanted to know what becomes of the extra copies. There are about 210 members and 80 senators, and that would leave about 300 copies unaccounted for.

Mr. BORDEN: I could not give my hon. friend the correct information as to that. I imagine that some are sent to provincial authorities and exchanged for documents of a similar character.

To provide for the expenses of commission to prepare plans relating to the cities of Ottawa and Hull, $8,000.

Mr. DEVLIN: Can we have some information about this?

Mr. W. T. WHITE: The Government during the year appointed an honorary commission consisting of Mr. H. S. Holt, of Montreal, who is chairman, the other members being Sir Alexander Lacoste, Mr. Home Smith, and Mr. Frank Darling, of Toronto, the Mayor of Ottawa, and the Mayor of Hull. The Government took the matter up in co-operation with the two corporations, the city of Ottawa and the city of Hull, on the basis that plans should be prepared of Ottawa and Hull and their environments, including the laying of boulevards and squares, the location of public buildings, and generally to deal with the town-planning in the two cities upon the understanding that the Government would pay one-half the expense, the remaining half to be defrayed in proportion of population by the two cities. Both corporations agreed through their municipal authorities to that arrangement. This commission is now engaged in the work of town planning. Engineers and a staff have been engaged. This amount of $8,000 represents substantially the expenditure made up to the 31st day of March.

Mr. MURPHY: This commission is separate from the Ottawa Improvement Commission?

Mr. WHITE: Yes.

Mr. MURPHY: Is the work of this commission to cease as soon as these plans are made and a general scheme outlined, or does their work continue?

Mr. WHITE: This commission is appointed only for the purpose of making the plans; it does not interfere in any way with the work of the Ottawa Improvement Commission.

Mr. DEVLIN: Will either of the cities be called upon to contribute to the preparation of plans anything further than the amount they have already contributed?

Mr. WHITE: Not in respect of this particular commission. The joint arrangement between the Dominion Government and the two cities was that this commission should cause plans to be prepared, and the expenses of the commission and the preparation of the plans to be borne half by the Government and half by the two cities.

Nothing further is in contemplation so far as this commission is concerned. After the plans are prepared and the work done, what we have in mind is that all parties concerned, the Dominion, the two cities of Ottawa and Hull, the railways and other interested parties will all work together in the carrying out of those plans.

Mr. DEVLIN: Have any plans been prepared yet?

Mr. WHITE: They are in process of preparation.

Mr. MURPHY: It is a matter of mutual agreement whether these plans will be carried out or not?

Mr. WHITE: The commission is charged solely with the duty of preparing the plans.

To provide for cost of liquidation and inquiry into the affairs of the Union Life Insurance Company, $20,000.

Mr. GERMAN: This is a large sum with so far varying unsatisfactory results. It seems that warrants have been issued for the arrest of certain people. I understand that Mr. Harry Symons is awaiting trial, and I venture to say that he was the most innocent man in connection with the matter and that the really guilty man, Mr. H. Pollman Evans, is still at large.

Mr. WHITE: I am entirely willing that the item should stand, because it is an item of an unusual character. So far as expenditure is concerned, I think I can satisfy my hon. friend, although not to-night, that it has been well spent in the interest of the public. The Dominion Government has had nothing whatever to do with the prosecution of the parties in question.

Mr. GERMAN: Who has?

Mr. WHITE: The Ontario Government, which is charged with the administration of justice. The liquidation was for the purpose of enabling about 160,000 policy holders throughout the Dominion, for the most part poor people, paying five, ten, or fifteen cents a week, to obtain reinsurance. Otherwise they would have lost all that they had in this company. The inquiry was further prosecuted in Toronto under the Winding Up Act, with the view of ascertaining how the funds of the company were lodged. The inquiry was widened to take in some of the companies whose affairs were connected with the affairs of this company. So far as the matter to which my hon. friend has referred is concerned, the Dominion Government has nothing whatever to do with the prosecution of any one in connection with the company. The liquidation was carried on in the city of Toronto before a referee, and he being an officer of the court and the inquiry being public, the Dominion did not consider it to be any of its duty to consider the mattter, of laying an information.

Mr. GERMAN: How much did Mr. Masson get?

Mr. WHITE: I think about $7,000. My hon. friend as a lawyer, I think, will be entirely satisfied with the account of the liquidator here presented and the expenses of liquidation.

Mr. GERMAN: It is a pretty stiff price to the liquidation.

Item stands.

Grant towards relieving distress caused by storm on Great Lakes—Governor General's warrant, $25,000.

Mr. MURPHY: That comes within the category of the items to which I referred my hon. friend earlier in the evening; but, on the understanding that we can discuss this on some other item dealing with Governor General's warrants, it may go through.

Mr. J. D. REID: All right.

Mr. W. T. WHITE: My hon. friend will make me repent of putting these items in the Estimates. It is a new departure.

Mr. MURPHY: It is not that, but it is the Governor General's warrants.

To provide for the settlement in full of the claim of Government of New Brunswick, for loss sustained owing to the leasing by the federal government of angling privileges in non-tidal waters of the province from 1875 to 1882, the province having disputed the right of the Dominion to issue such leases in 1875, $66,382.

Mr. CARVELL: Is this a final settlement of the fishery claims?

Mr. HAZEN: This settles both claims.

Customs—Expenses of inspectors of ports, etc., $35,000.

Mr. GRAHAM: Does this include Mr. Carstair?

Mr. J. D. REID: He was not an extra officer.

Mr. PARDEE: Is he a permanent officer?

Mr. J. D. REID: Yes. He is an inspector. We had one or two deaths on the inspection staff and we put him on.

Mr. GRAHAM: Does he do any political work?

Mr. REID: No.

Customs—Miscellaneous—Printing and stationery, subscriptions to commercial papers, flags, dating stamps, locks, instruments, etc., for various ports of entry, express charges on samples, stationery and forms, legal expenses, premiums on guarantee bonds and uniforms for customs officers, $40,000.

Mr. GRAHAM: Are the customs officers put in uniform now?

Mr. REID: I insisted that more of them at the different ports should have nice uniforms. I thought it better in the case of the officers who have to meet the public. We pay $5 extra on each suit, and it makes a considerable item.

Railways and Canals—Chargeable to collection of revenue—Railways—Prince Edward Island railway—Working expenses—Further amount required, $65,000.

Mr. PARDEE: Did you lose that last year?

Mr. REID: They lost $150,000 altogether.

Public Works—Chargeable to collection of revenue—Telegraph lines—British Columbia—Further amount required, $30,000.

Mr. CARVELL: Why is the Dominion building telegraph lines in British Columbia? I can understand it in the Yukon.

Mr. ROGERS: We build them not only in British Columbia but in the Maritime provinces.

Mr. CARVELL: I know there is a little Dominion line running along the Miramichi river.

Mr. BORDEN: And some in Cape Breton.

Mr. REID: And in Quebec too.

Mr. CARVELL: I should have thought that arrangements could be made with the telephone companies. Thirty thousand dollars is a pretty large amount, and naturally raises the question whether the Government is not launching out in a general scheme of telegraph lines. I could understand some lines having been built in the Maritime provinces or on the lower St. Lawrence for some reason or other and now we have to keep them up. But so large an amount as this would seem to indicate a general scheme. I should think that a fairly good line in British Columbia could be built at $100 a mile. This is a 'further amount required.' How much is being spent altogether?

Mr. ROGERS: Last year through some mistake a sufficient vote was not taken to cover the operation and repairs of the telegraph lines. At that time I took much the same ground as the hon. gentleman takes, thinking that the Dominion had no business to go into telegraph lines. I was trying to bring about a settlement between the different provinces that they should take care of these lines themselves. This sum is required for the repairs and working expenses of the British Columbia system.

Land and Cable telegraph lines—Lower St. Lawrence including working expenses of vessels required for cable service—Further amount required, $44,000.

Mr. CARVELL: It does seem to me that the minister is branching out to a very considerable extent when an expenditure of $44,000 is only a 'further amount required.' I know that this includes working expenses of vessels. But surely the Public Works Department does not need to go into the telegraph lines in the Maritime provinces and Lower St. Lawrence generally. We have telegraph and telephone lines everywhere; I do not think you could find any place in New Brunswick ten miles away from a telephone. If there is any good reason for these government telegraph lines I should like to hear it.

Mr. BORDEN: This matter has been up for discussion many times. As I understand it the telegraph system was first extended into the thinly settled portions of the seacoast largely as a means of getting prompt news concerning marine disasters. For instance there is such a line through the thinly populated portions of Cape Breton and also on the north shore of the St. Lawrence. Then there is a cable somewhere in the Maritime provinces. Extensions have been made to these lines, I believe, for the convenience of the people in places where the telegraph companies would not establish stations. I do not know that it has been upon any distinct principle, but rather as a matter of expediency and for the convenience of the people.

Mr. CARVELL: It must have been a large sum before when your 'further amount required' would build about four hundred miles of new line.

Mr. ROGERS: The statement supplied by the department shows that this $44,000 is required to complete payments for the fiscal year on the working expenses of the land and cable telegraph lines in the Lower St. Lawrence and the Maritime provinces and the working expenses of vessels employed in the service. The amount includes such items as $7,800 for the steamship Tyrian, $6,000 for the Cape Breton and special amounts for the various telegraph lines.

Mr. CARVELL: It is not for extensions then according to that?

Mr. ROGERS: No.

Mr. CLEMENTS: I desire to put my hon. friend from Carleton (Mr. Carvell) right on his statement that a telegraph line should be built in British Columbia for $100 a mile. It is evident he does not know the conditions in British Columbia. There are many hundreds of miles of telegraph lines in that province that could not be built for less than $225 a mile. If there is one thing more than another that this Government, or any government can do to benefit the public of British Columbia it is in providing these telegraph lines.

Mr. EMMERSON: That has all been done.

Mr. CLEMENTS: Not yet.

Trade and Commerce—salaries of commissioners and officers and other employees; rents, day wages and contingencies under the Inspection and Sale and Canada Grain Acts, further amount required, $75,000.

Mr. PARDEE: Certain officers are appointed to carry out certain duties; is it not known at the time of their appointment what salaries they are going to receive? Have additional officers been appointed since the main Estimates came down, requiring a further sum of $75,000?

Mr. WHITE: I think the explanation desired by the hon. member may be found in the concluding paragraph of a statement which the hon. Minister of Trade and Commerce sent me this evening, and which is as follows:

For the ten months of the current year to January 31, 1914, there was an increase in the cars inspected over the same period during the fiscal year of 25,385 cars, and all previous records were broken.

A rather complete summary follows, showing just why this amount is required.

Mr. PARDEE: The sum of $75,000 is required for salaries of commissioners and officers and other employees, rents, and so on, not heretofore provided for. As I understand it, under the Civil Service Act these men are appointed by the year, and their salaries are known to the department. Are these officers men who have been appointed since the main Estimates came down? I do not understand why there should be any extra amount, because the department should know just what their officers are going to cost year by year.

[Mr. Rogers.]

Mr. WHITE: There is a permanent staff and they should, and usually do, know what the salaries will be, subject to reasonable increase if business develops in the course of the ensuing year. I think the more important items, those of day wages and contingencies, are due to increase of business at the ports, and the extra permanent staff would tend to increase the amount to $75,000. I would suggest that, with the unanimous consent of the House, we might take concurrence for all the items in the main Estimates en bloc.

Mr. SPEAKER: The suggestion is made to the House that these resolutions be concurred in en bloc without naming the items. These are the items already passed at previous sittings of the committee.

Mr. WHITE: And one-sixth of the remaining items.

Mr. SPEAKER: As the resolutions are of different dates they could not, in my judgment, be put through on one motion; but by putting through the resolutions without calling the items afterwards much time will be saved and I understood it was agreed that the items should not be called.

Progress reported.

SUPPLY—CONCURRENCE.

The House proceeded to consider resolutions reported from Committee of Supply.

Resolutions concurred in.

THE ROYAL ASSENT.

Mr. SPEAKER read a communication from the Governor General's Secretary, announcing that the honourable Mr. Justice Idington, acting as Deputy of His Royal Highness would proceed to the Senate Chamber on the 3rd instant at four o'clock for the purpose of giving the Royal Assent in certain Bills.

On motion of Mr. Borden, the House adjourned at 3.05 a.m. Friday.

Friday, April 3, 1914.

The House met at Three o'clock, the Speaker in the Chair.

PRIVATE BILLS.

FIRST READINGS.

Bill No. 139, to amend The Railway Act with respect to the deposit of plans.—Mr. McKay.

Bill No. 140, to incorporate the National Council of Women of Canada.—Sir Edmund Osler.

Bill No. 141, respecting The Rainy River Radial Railway Company.—Mr. Boyce.

Bill No. 142, respecting The Pacific Trans-Canada and Hudson Bay Railway Company.—Mr. Douglas.

Bill No. 143, respecting a patent of John Roger Arnoldi.—Mr. Macdonell.

Bill No. 144, for the relief of Henry Elmer Bicknell.—Mr. McCraney.

ALLEGED INACCURATE RETURN.

On the Orders of the Day being called:

Mr. WILLIAM CHISHOLM: I wish to call the attention of the Minister of Public Works to a return which was ordered by the House on March 23, 1914, and laid on the table yesterday, which purported to show the amount expended in public works in Antigonish county since October 11, 1911. That return is grossly inaccurate. It states that the amount expended since October, 1911, was $75,797.50. When I looked at that first, I thought a mistake had been made in the copying, and that the correct amount was $7,597, which would be more nearly correct than $75,000. I observe that places are mentioned in this return that are not in Antigonish county at all—Battery Point, for instance, and other places. I observe also that the return states that amounts of $21,094.97 and $1,315.93 were expended since 1911 for Antigonish public buildings. No question was asked about public buildings; the question was with regard to public works. That statement, however, is grossly inaccurate, because that money was expended, not since 1911, but six or seven years ago, and why it was put in the return I do not know. I observe also that the return states that an amount of $13,130 for Breen's Pond was expended since 1911, whereas that work was performed before 1911. All through the return is inaccurate, and I draw the attention of the Minister of Public Works to this fact so that the matter may be corrected before his Estimates are brought up for consideration. The Minister of Public Works may remember that on December 28, 1912, just on the eve of an election in Antigonish county, a promise of $205,000 for public works in that county was made in a letter addressed to Senator Girroir.

Mr. SPEAKER: Order. I do not think it is in order for the hon. member to go into these matters at this stage.

Mr. CHISHOLM: I am simply explaining to the minister that possibly the error crept in through some of the officials of his department having had in mind the letter in which the promise of the expenditure of $205,000 upon public works in Antigonish county was made. Of course, the money was not expended, as promised. The Minister of Public Works gold-bricked the people on that occasion.

Mr. SPEAKER: Order. The hon. member is certainly exceeding his rights.

Mr. CHISHOLM: I wish to ask the Minister of Public Works if he intends to try to make the Antigonish people believe that $75,000 was given them during the past year, when as a matter of fact only a fractional part of it was expended.

Mr. ROGERS: I did not take the trouble to read the report, but simply brought down what was given me by the officers of the department. I shall be glad to draw their attention to the statements which my hon. friend has made in regard to inaccuracies, and if such inaccuracies have crept in, I will endeavour to see that they are corrected.

MINES ROAD STATION.

On the Orders of the Day being called:

Mr. KYTE: Information has come to me that it is in contemplation by the Managing Board of the Intercolonial railway to close Mines Road station, in my constituency. The people interested are anxious to know if any such move is intended.

Mr. REID: This is the first I have heard of it. I shall make inquiries and let the hon. member know to-morrow.

HERON ISLAND DAM.

On the Orders of the Day being called:

Mr. LEMIEUX: Without reading to the House what has been published in the Montreal papers, I would ask the Minister of Public Works if it is true that a dam is to be built a little above Montreal at a place called Heron Island. I understand that the Waterways Commission, appointed to inspect and report upon the water situation above the harbour of Montreal, has not yet filed its final report. But

for the last few days it has been stated in the press that a certain company has obtained power from the Government to build a dam near Lachine rapids and a power house on Heron Island. It is said that a contract has been given amounting to $2,500,000. Is that item correct and has the Waterways Commission approved of this project?

Mr. ROGERS: There is no truth in the statement, as far as I am aware. That item was called to my attention yesterday, but I have no knowledge of the matter. I am satisfied it is absolutely incorrect, because I have had several applications in connection with dams and the development of water-powers there, but have invariably given the same answer that nothing could be done until we had the report of the Waterways Commission.

Mr. LEMIEUX: I do not wish to contradict the statement of the minister, but for his information I would say that, in an interview, Mr. W. D. Powell, a director of the company, stated that a company had been incorporated, and that their first expenses in connection with their development would amount to over $6,000,000, and he seems to take it for granted that the company will do the work. Of course, if the hon. minister says no, I presume that is an end to the matter.

WAYS AND MEANS—SUPPLY BILL.

On motion of Hon. W. T. White (Minister of Finance), the House went into Committee of Ways and Means, to consider the following proposed resolutions. Mr. Blondin in the Chair.

1. Resolved, that towards making good the supply granted to His Majesty, on account of certain expenses of the public service for the financial year ending the 31st March, 1914, the sum of $1,891,661.05 be granted out of the Consolidated Revenue Fund of Canada.

2. Resolved, that towards making good the supply granted to His Majesty, on account of certain expenses of the public service for the financial year ending the 31st March, 1915, the sum of $50,361,346.66 be granted out of the Consolidated Revenue Fund of Canada.

Resolutions reported, and concurred in.

Mr. WHITE thereupon moved for leave to introduce Bill No. 145, for granting to His Majesty certain sums of money for the public service for the financial years ending respectively the 31st March, 1914, and the 31st March, 1915.

[Mr. Lemieux.]

Motion agreed to, Bill read the first and the second time, considered in committee, reported, read the third time, and passed.

CIVIL SERVICE ACT AMENDMENT.

On motion of Hon. L. P. Pelletier (Postmaster General) the House went into Committee to consider the following proposed resolution, Mr. Blondin in the Chair:

Resolved, That it is expedient to amend the Civil Service Act and the amendments thereto so as to provide that the minimum salary of clerks in city post offices, the offices of post office inspectors, the offices of superintendents of railway mail service, and the money order exchange office, shall be $600 on appointment; and that the annual increase for any such clerk shall be increased to $100 a year; and that if the salary of any temporary or permanent clerk in the said offices is on the 1st April, 1914, less than $600 it shall forthwith be increased to that amount; and that the salary of any person who may be employed temporarily in any of the said offices for a period of not more than one year, who has not passed the required examination, shall be at the rate of $600 a year.

Mr. PELLETIER: Two important changes are proposed. First, it is proposed to raise the initial salary, which is now $500, to $600. The other important feature is in regard to the annual increase in salaries. At present a clerk starting at $500 gets an annual increase of $100 a year up to $800, but after reaching that figure the increase is only $50 a year.

Sir WILFRID LAURIER: Up to what point?

Mr. PELLETIER: From $800 to $1,000 in the one case, and from $1,000 to $1,800 in the other.

Sir WILFRID LAURIER: Are these clerks under the Civil Service?

Mr. PELLETIER: All are under the Civil Service—applying to the outside service.

Sir WILFRID LAURIER: As I understand it, the only change proposed is that instead of starting at $500 a year and increasing by $50 annually, a clerk starts at $600, with a yearly increase of $100 until he reaches the maximum of $1,800.

Mr. PELLETIER: Yes. I see no reason why the salaries should not increase by $100 a year after the $800 point is reached.

Mr. SINCLAIR: Has the minister any temporary clerks who have been in his employ for more than one year without passing an examination? This resolution says that the salary shall be raised to $600 in the case of those employed temporarily

for a period of not more than one year, and it occurred to me that the minister might have some temporary clerks employed for more than one year .

Mr. PELLETIER: Temporary clerks cannot be employed for more than one year; the Auditor General would not pay them. The temporary clerks now in the service at $500 a year will receive $600, the same as the permanent clerks. It is intended to raise the salary on appointment of both permanent and temporary clerks from $500 to $600 per annum.

Mr. NESBITT: From the commencement of their service, or from the time the Act comes into force?

Mr. PELLETIER: From the 1st April, 1914. All these matters will be better understood when the Bill is before the House.

Mr. LEMIEUX: I do not rise to offer any objection. On the contrary, I think the minister is to be commended in view of the high cost of living, high rents, and so on, for increasing the modest salaries of postal employees. Some years ago I took upon myself to give them an increase according to circumstances. I think the hon. gentleman is justified in giving to these faithful employees the same benefits that other classes of employees are receiving. I do not think the country would begrudge the postal employees even a little bigger raise. One point to which I would like to call attention is the fact that the Government has not yet decided whether the outside service is to be put on the same footing as the inside service. It is true that a certain class of employees in the outside service have to pass an examination, but it is not the same kind of examination as is provided by the Civil Service Commission for the inside service. I think the time has come for the Government and Parliament to take a bold stand on this question, and in saying that I think I voice the feelings of all the members of this House, particularly members who sit on your right, Mr. Chairman, as they are most called upon to find positions for their constituents in the Civil Service. Unquestionably the law which was passed some years ago on the inspiration of the Hon. Mr. Fisher, instituting a system of competitive examinations for the inside service, was an excellent law. To-day, members of Parliament and ministers of the Crown can say to all applicants that they have to submit to the law and pass the examination set by the Civil Service Commission before they can be appointed to the Civil Service. In that way you secure a better service than has hitherto existed. We all know that if in Great Britain they have an excellent civil service, it is due to their system of competitive examination. I believe that the Hon. Mr. Fisher has no greater title to fame than that he secured such a system for the inside service. In England, no minister of the Crown is hunted by applicants, as we are hunted in this country, because it is a matter of course that all applicants must go before the board of Civil Service commissioners and pass an examination. That is the reason why England has the best civil service in existence. We have adopted that system for the inside service at Ottawa. Why not extend the principle and bring the outside service under that law? I am quite sure that my hon. friends on the other side of the House, as well as my hon. friends on this side, would favour that. I quite agree that it is not necessary to subject a postmaster who receives $50, $100, or $200 a year to an examination. But for the postal employees in the large cities like Ottawa, Montreal, Winnipeg, Toronto, Quebec, Halifax and St. John, and for the customs and inland revenue officers in the large centres, why would it not be a good thing to establish a system of competitive examination? That sentiment exists in the country to-day. The result of the present system is that you do not get the best men. Since the establishment of the competitive system in the inside service we do not hear of any criticism about the Civil Service.

Mr. W. H. BENNETT: Suppose a person is to be appointed as assistant in the post office in the town where I live, and I happen to know a man who is a cripple and who can efficiently do the work of the post office, but who is not able to do hard work, would my hon. friend propose to have taken away from me the right of recommending him for the position and have the matter sent to Ottawa for decision? He might have passed the examination, but the fact that he was a cripple and unable to do hard work would not prevail, while the community in which he lived would know that he was admirably qualified for the position.

Mr. LEMIEUX: Of course, my hon. friend gives a special instance which is only an appeal ad misericordiam. Besides I do not know the population of the place mentioned by my hon. friend.

Mr. W. H. BENNETT: Let it happen anywhere.

Mr. LEMIEUX: That would, of course, depend upon the population and the business of the post office. I would classify these post offices. But if we had a competitive system, say, for the Toronto, Montreal, Ottawa, Calgary and Winnipeg post offices, would it not be better for the service? The Postmaster General and the Minister of Customs know that all the difficulties and weaknesses in the service proceed from the fact that under the present system they are imposed upon by political friends in these different cities. This system of competitive examination exists in other countries. It exists in the United States. No congressman to-day has the right, as he had some years ago, to impose his choice on the Postmaster General of the United States. They have extended the system from the inside to the outside service, and what some years ago was the shame of the public service in that country, has now become, I am pleased to say, its pride. The United States have reformed completely their civil service, both inside and outside, and we could well afford to imitate them in that regard. I shall reserve to myself the right to add some remarks upon the subject when the Bill of my hon. friend the Postmaster General is before the House. The sentiment for this reform is ripe in the country. The public think that the time has come when all public servants of a certain class—I am not speaking of the extreme lower grades—ought to pass a competitive examination.

Mr. PELLETIER: You mean clerks?

Mr. LEMIEUX: Yes.

Mr. A. A. McLEAN: Will this resolution or Bill affect the salaries of officials entering the Post Office Department in Ottawa?

Mr. PELLETIER: This is a Bill for the outside service.

Mr. McLEAN: Will the salary of a man entering the Post Office Department in Ottawa still remain at $500?

Mr. PELLETIER: Yes.

Mr. NESBITT: Will the minister, when he brings down his Bill, give us some idea of the number of people who are affected by it?

Mr. PELLETIER: Yes, my officers will be here when the Bill is before the House.

Mr. LEMIEUX: And the amount involved?

[Mr. W. H. Bennett.]

Mr. PELLETIER: And the amount involved.

Resolution reported and concurred in.

Mr. PELLETIER thereupon moved for leave to introduce Bill No. 146, to amend the Civil Service Act.

Motion agreed to, and Bill read the first time.

POST OFFICE ACT AMENDMENT.

On motion of Hon. L. P. Pelletier (Postmaster General), the House went into Committee to consider the following proposed resolution. Mr. Blondin in the Chair:

Resolved, that it is expedient to amend the Post Office Act, and to provide (a) that the minimum salary of railway mail clerks appointed on probation shall be at the rate of $600 a year, and on confirmation shall be at the rate of $700 a year, with annual increases of $100 thereafter until the maximum of $1,400 is reached; (b) for the temporary employment of railway mail clerks for a period of not more than one year at a salary of $600 and mileage allowance; (c) for the appointment of temporary railway mail clerks as permanent clerks with a salary not exceeding that which they received as such temporary clerks, and eligible for the usual annual increases for the period from the date of their appointment until their salaries amount to $1,000, but not eligible for an increase above $1,000 until they pass the qualifying examination; (d) that if the salary of any railway mail clerk, temporary or permanent, is on the 1st April, 1914, less than $600, it shall forthwith be increased to that amount.

Mr. MURPHY: Would my hon. friend the minister explain the procedure by which he proposes to turn temporary clerks into permanent ones?

Mr. PELLETIER: We are not turning temporary clerks into permanent ones We are simply dealing with their salaries.

Mr. MURPHY: What does subsection C mean?

Mr. PELLETIER: This resolution is simply doing for the railway mail clerks what the preceding resolution has done for the employees in the city post offices in the railway mail service, and in the money order exchange offices. We are increasing their initial salaries from $500 to $600, and are providing for an annual increase of $100 instead of $50 when the salary reaches $800, rising to $1,400. That is the sole object of the resolution. We have no right to employ railway mail clerks for more than one year in a temporary capacity. If at the end of the year they have

not passed the examination, we cannot employ them any longer.

Mr. CARVELL: Cannot you employ them over again in a temporary capacity?

Mr. PELLETIER: We cannot do that under the law. The Auditor General would not sign the salary cheques.

Mr. CARVELL: Could you not dismiss them, and then next day reappoint them in a temporary capacity?

Mr. PELLETIER: No.

Mr. LEMIEUX: The trouble is that the examinations for railway mail clerks are far too severe. What is required from a railway mail clerk is common sense, good education, sobriety and honesty. In certain provinces my hon. friend must experience very great difficulty in securing railway mail clerks. In the provinces west of the Great Lakes, it is true that they receive 15 per cent above the salaries paid elsewhere. In my day I had great difficulty in getting proper service in that respect, because the salary is not high enough and the examinations required from railway mail clerks are equal to the examinations required from university students. You cannot get a young university student to devote his life to the work of a railway mail clerk. It is very tedious work, it is not always very healthy, and it is at times very risky. I would suggest that my hon. friend amend the regulations so as to make the examinations required from railway mail clerks less difficult than at present. He is quite right in taking on permanently a temporary railway mail clerk who has done good service during one year and has shown himself fully qualified for the position. These temporary clerks are called railway mail clerks, but, as a matter of fact, they are only labourers. They are employed as labourers for a year, and the Auditor General will not pay beyond a year for one who assumes the name of railway mail clerk but is really only a labourer.

Mr. CARVELL: Has the hon. member (Mr. Lemieux) read subsection C? I understand by that section that if a railway mail clerk stays there long enough, his salary will rise to $1,000 a year.

Mr. PELLETIER: He does not stay there more than a year if he does not pass the examination.

Mr. MURPHY: This examination applies to the increase, not to the permanency.

Mr. PELLETIER: The rule is this: The young man may remain in the service for a year.

Mr. CARVELL: Will my hon. friend get away from what the rules and regulations may be, and realize that we are passing a statute, and it is a question what is the interpretation of that statute? My hon. friend should devote his attention to that branch of the question, and not to rules and regulations of the past. He says that the Auditor General will not sign the cheques. That may have been the case in the past. Does not my hon. friend think that subsection C, if passed, will be a statute which the Auditor General will be bound to obey?

Mr. PELLETIER: There is no question about that. Perhaps I employed a word which did not carry the meaning I had in my mind. Possibly I should have used the word 'law' when I used the word 'rule.' The law now is that we cannot continue in office for more than twelve months a railway mail clerk who is on probation. After the twelve months have expired, if he has not passed the necessary examination, he has to leave the service. I used the word 'rule.' That is the 'law.'

Mr. CARVELL: What is the new law?

Mr. PELLETIER: The new law is to increase the salaries and to keep in the service those temporary clerks who have made good.

Mr. CARVELL: For four years more?

Mr. PELLETIER: Yes.

Mr. CARVELL: What is the yearly increase?

Mr. PELLETIER: From $600 to $800 under the new law by increases of $100 a year. From $800 to $1,400; as the law now is, the rate of increase is $50 a year, we are making it $100 a year.

Mr. CARVELL: Any mail clerk can remain for four years without passing an examination?

Mr. PELLETIER: He must take the examination if he wants to be kept on for the second year.

Mr. SINCLAIR: This subsection does not say so.

Mr. PELLETIER: We are providing by this resolution to keep in the service men

who are there now and with whose work we are satisfied. This does not say that in future we shall have the right to keep for more than one year railway mail clerks who will be engaged later.

Mr. CARVELL: In other words, those who are employed as temporary clerks will never reach the maximum of the salary given to a regular railway mail clerk?

Mr. PELLETIER: No. There are two examinations. This explanation will also answer partly my hon. friend from Rouville (Mr. Lemieux). In the first place, the man goes in without examination. He cannot be kept for more than a year. In order to be appointed he must pass the preliminary examination. This is very easy, calling for only elementary qualifications, such as ability to read and write and a knowledge of the four elementary rules of arithmetic. But the employee cannot have a salary of over $1,000 unless he passes the qualifying examination.

Mr. MURPHY: What machinery is it by which the man, at the end of the year's probation, is changed from a temporary clerk into a permanent clerk? Is it at the discretion of the minister to make the selection, or is the passing of the examination sufficient?

Mr. PELLETIER: Both. He must pass the examination, but, even though he may pass the examination, if his services have not been found satisfactory, the minister is not obliged to appoint him.

Mr. SINCLAIR: The minister has said that section C applies only to clerks now in the employ of the department and that it is not intended to apply to those hereafter appointed. In that case this section should be amended by some such qualifying words as 'now in the service of the department' after the expression 'temporary railway mail clerks.' Otherwise it would be open to the minister to appoint temporary clerks, keep them for four years, and raise them to $1,000; and in this way he could saddle on the department a large number not qualified.

Mr. PELLETIER: I think there is a good deal in what the hon. gentleman says. This resolution does not exactly express the idea. But I have the proposed Bill before me, and I think it is much clearer.

Mr. CARVELL: We have not the Bill before us. Would the minister read it?

[Mr. Pelletier.]

Mr. PELLETIER: It says:

A person who has not passed the required Civil Service examination may be employed as a temporary railway mail clerk for a period of not more than one year.

That makes it clear.

Mr. CARVELL: Yes, but then section C qualifies this broad statement that he cannot be employed for more than a year. Under this section the minister has power to advance him by $100 a year and keep him for four years.

Mr. PELLETIER: I admit that that construction is possible when you read the resolution. But when you read the Bill—

Mr. CARVELL: Will the hon. minister send the Bill over? We have not a copy.

Mr. LEMIEUX: The change is automatic—

Mr. PELLETIER: He is not appointed until after one year's probation. After that probation, if he passes the preliminary examination, an Order in Council is passed putting him on. Then he advances automatically by $100 a year until he reaches $1,000 a year.

Mr. LEMIEUX: Then, if he passes the qualifying examination he is put on a par with the other railway mail clerks?

Mr. PELLETIER: Yes.

Mr. CARVELL: What is the number of the Bill?

Mr. PELLETIER: It has no number; it has not yet been introduced. We are still on the resolution, and that is why I suggest that we should leave the discussion until we are in Committee on the Bill. We can go into the matter fully at that stage. In the meantime I will call the attention of the officers of the department to the remarks that have been made. I wish to have this matter made clear myself.

Mr. CARVELL: I beg pardon; I thought we were in Committee on the Bill.

Mr. LEMIEUX: I wished to satisfy my hon. friend (Mr. Carvell) that I
4 p.m. was right. In view of the very difficult examination to which the railway mail clerks are subjected, the Postmaster General is obliged at times to take temporary mail clerks. They are purely and simply labourers, and have a labourer's stipend and cannot advance unless they show that they have the necessary qualifications. According to this pro-

posed plan, they will be appointed at $600 a year and will advance by $100 a year until they reach $1,000. Then, if they pass the qualifying examination, they will be on a par with the regular mail clerks and can reach a maximum of $1,400 a year.

Mr. CARVELL: I quite agree with my hon. friend from Rouville. But I have seen some of these examinations and they are the greatest farce ever known. What difference does it make in the appointment of a railway mail clerk whether he can tell what the capital is of some state in China or Siam?

Mr. PELLETIER: The hon. gentleman is mistaken; the railway mail clerks are not subjected to these ridiculous questions.

Mr. CARVELL: I have seen the questions and some of them seem to me ridiculous. The proper course for the Postmaster General is to change the examination, and not to take power to himself to drive a coach-and-four through the Civil Service Act. If the examination were put upon a reasonable basis, I do not think there would be much difficulty in getting the proper number of qualified men. The qualifications a man should possess in order to be an efficient railway mail clerk include a knowledge of English, ability to read writing of almost any kind, and an intimate knowledge of the geography of his own country and of many other countries in the world. It may take a year for a man to study up what he needs to know. But I would suggest that the minister should simplify the examination, boil it down to the necessities, and not take too much power to himself.

THE ROYAL ASSENT.

A message was delivered by Ernest John Chambers, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, His Honour the Deputy of His Royal Highness, the Governor General, desires the immediate presence of this honourable body in the Chamber of the honourable the Senate.

Accordingly the House went up to the Senate.

And the House being returned,

Mr. SPEAKER informed the House that His Honour the Deputy of His Royal Highness the Governor General, had been pleased to give, in His Majesty's name, the Royal assent to the following Bills:

An Act respecting the National Transcontinental Railway.

An Act respecting the Grand Trunk Pacific Railway Company.

An Act respecting the West Ontario Pacific Railway Company.

An Act respecting the Tillsonburg, Lake Erie and Pacific Railway Company.

An Act respecting the Ottawa, Northern and Western Railway Company.

An Act respecting the Lachine, Jacques Cartier and Maisonneuve Railway Company.

An Act respecting the Grand Trunk Railway Company of Canada.

An Act to incorporate the Central Western Canada Railway Company.

An Act respecting the Canadian Pacific Railway Company.

An Act to incorporate Pacific, Peace River and Athabaska Railway Company.

An Act respecting the Dominion Atlantic Railway Company.

An Act respecting the Joliette and Lake Manuan Colonization Railway Company.

An Act respecting the Ottawa and Ungava Railway Company.

An Act respecting the Thessalon and Northern Railway Company.

An Act respecting the Esquimalt and Nanaimo Railway Company.

An Act respecting the Central Railway Company of Canada.

An Act respecting the Quinzé and Blanche River Railway Company.

An Act respecting the Lake Erie and Northern Railway Company.

An Act respecting the Canadian Railway Accident Insurance Company, and to change its name to 'The Globe Indemnity Company of Canada.'

An Act respecting the Vancouver Life Insurance Company of Vancouver, B.C., and to change its name to 'The Vancouver Life Insurance Company.'

An Act respecting the Burrard Inlet Tunnel and Bridge Company.

An Act respecting the Acadia Loan Corporation, and to change its name to 'The Mortgage Corporation of Nova Scotia.'

An Act to incorporate the Bank of Alberta.

An Act respecting the Sterling Trusts Corporation.

An Act to amend an Act relating to the establishment and expenses of the International Joint Commission under the Waterways Treaty of January 11, 1909.

An Act respecting Queen's University at Kingston.

An Act respecting the McClary Manufacturing Company.

An Act respecting British Trust Company.

An Act to incorporate the Norfolk and Elgin Railway Company.

An Act respecting the Calgary and Fernie Railway Company.

An Act respecting the Canadian Northern Railway Company.

An Act to amend the Weights and Measures Act.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending respectively the 31st March, 1914, and the 31st March, 1915.

POST OFFICE ACT AMENDMENT.

The House again in Committee, Mr. Blondin in the Chair.

Mr. NESBITT: Does the mileage allowance apply to temporary clerks?

Mr. PELLETIER: Yes. While en route they have to get their meals and pay hotel bills, and the allowance is made for that purpose. The temporary man is just as much entitled to that as the permanent man.

Mr. NESBITT: I cannot quite agree with the hon. member for Carleton, N.B., as to making the examinations easier. I have not the examination before me and do not know the exact nature of it, but it seems to me that after those officers have served a number of years they ought to be able to pass an examination if they have any sense at all. I would like the minister when he brings in his Bill to give the information asked for with regard to the other Bill, namely, how many officers will be affected and what the amount of the increase will be.

Mr. PELLETIER: I will have that information.

Mr. BOIVIN: Perhaps the minister could give us also a general idea of the nature of the examination.

Resolution reported and concurred in.

Mr. PELLETIER thereupon moved for leave to introduce Bill No. 147, to amend the Post Office Act.

Motion agreed to, and Bill read the first time.

FISHERIES ACT AMENDMENT.

THIRD READING.

Bill No. 71, to consolidate and amend the Act respecting fisheries and fishing.—Mr. Hazen.

DAIRY PRODUCTS.

Hon. MARTIN BURRELL (Minister of Agriculture) moved the second reading of Bill No. 112, to regulate the manufacture and sale of dairy products and to prohibit the manufacture and sale of butter substitutes.

Mr. CARVELL: Subsection b of section 5 of this Bill absolutely prohibits the re-melting, re-clarifying or re-churning of any kind of butter. It is a very common practice to have butter brought from the dairy and taken to the factories and re-churned. A better article is turned out, and the butter is put up in more attractive packages. Will the minister tell us why the change is being made?

Mr. BURRELL: This Bill is, to a large extent, a revision of part 8 of the Inspection and Sales Act, which was a consolidation of the various dairy Acts passed between 1886 and 1896. Some of the provisions of the Bill are taken out of the Inspection and Sales Act as it was thought to be much better to have a separate Bill dealing entirely with dairy products. In the interpretation clause of the Bill, section 3, are certain provisions which are necessary for clearness, and which have covered new products which have come into existence in connection with the dairy business since the passing of the first Act. Section 4 corresponds with sections 284, 285 and 287 of the old Acts, and covers in addition, milk powder or casein manufactories, milk or cream shipping stations, and milk-bottling establishments. As the law stands at present no prosecution can be made for supplying adulterated milk to these establishments, as they are not mentioned in the Act. Section 5, to which my hon. friend particularly refers, is a re-drafting of sections 298 and 299 of the Inspection and Sales Act. The word 'oleomargarine' is put in paragraph a, and paragraphs b and c replace section 299 of the Inspection and Sales Act. Section 298 of the original Act is as follows:

> No person shall manufacture, import into Canada, or offer, sell, or have in his possession for sale any oleomargarine, butterine, or other substitutes for butter, manufactured wholly or in part from any fat other than that of milk or cream.

Section 299 is as follows:

> No person shall mix with butter any acid, alkali, or chemical or any substance whatever, which is introduced or used for the purpose or with the effect of causing the butter to absorb water or any part of milk or cream; or manufacture, or import into Canada, or offer, sell, expose or have in his possession for sale any such mixed butter, any renovated butter or process butter.

That is the butter referred to by my hon. friend which is made over again by churning. With the old section on the statute book, many dishonest dealers throughout the country learned how to add water to butter without the use of any acid, alkali or other chemical substance; and the courts held that, although we might prove that there was 25 per cent or 30 per cent of water in the butter in excess of the legal limit of 16 per cent, we must also prove that an acid, alkali or other chemical substance was used. The result was that, especially in Montreal, a lot of butter was re-

churned and water added without the use of chemicals or acids, and the courts practically refused to convict because there was no proof of these substances having been added. In many cases thousands of dollars have been made by men who rechurned butter and renovated it so that it contained 40 per cent or 45 per cent of water. This was not only a manifest injustice to the producers, but a glaring fraud on the consumers, and it added to the high cost of living. We have therefore put in subsection c, which is as follows:

Melt, clarify, refine, rechurn, or otherwise treat butter to produce what is generally known as 'process' or 'renovated' butter, nor add any milk or cream to butter.

There may be something in what my hon. friend says about not allowing people to rechurn butter; but if my hon. friend knew what a business is made of the manufacture of this process butter, he would see that this is the only way of reaching the abuse.

Mr. CARVELL: I am afraid my hon. friend has not paid due regard to the condition of affairs in the drafting of the Bill, because subsection c makes it a criminal offence for any person to—

—melt, clarify, refine, rechurn, or otherwise treat butter to produce what is generally known as 'process' or 'renovated' butter, nor add any milk or cream to butter.

Subsection k of the interpretation clause defines renovated butter as follows:

'renovated butter' or 'process butter' means any butter which has been melted, clarified, refined or rechurned;

If a man rechurns butter without adding water to it, this would make it a crime; it is a crime if he attempts to remodel it in any way. I quite understand that if renovated butter were defined to mean butter with more than 16 per cent of water, it would be all right; but unfortunately subsection k does not say that renovated butter has any specified quantity of water in it.

Mr. BURRELL: I think my hon. friend will find that commercially there will not be much difficulty of the kind he suggests, because the amount of butter that would be so treated would be infinitesimal. There is probably something in what my hon. friend says, but the matter can be threshed out in the committee. The main provisions of the Bill have been gone over carefully by the parliamentary counsel and the commissioner of dairying. It is my wish to refer the Bill to the Agricultural Committee, so that the sections may be thoroughly discussed there.

Mr. BOYER (Vaudreuil): Mr. Chairman, this revision of part 8 of the Inspection and Sales Act, such as amended by chapter 35 of the statutes of 1908, is quite timely, and the more so at a moment when all efforts are being directed towards the improvement of our dairy industry, and as the old law had proved inadequate, I congratulate the hon. the Minister of Agriculture upon having remodeled it to suit the time and present needs. Therefore I heartily approve of this Bill, and let me say that it is not in a carping spirit and as a fault-finder that I have taken the floor; on the contrary, I should like to still more improve the Bill by affording the provincial authorities the advantage of operating under this Act. As the law stands, the officers of the Dominion Department of Agriculture are the only ones who have jurisdiction and can exercise the powers conferred by this Act, while the provincial departments of agricure which also possess a thorough organization such as schools for inspectors, lecturers, etc., with a view to the constant development of dairying, have no legal means enabling them to validate their legal proceedings.

True, they have their local regulations, but those regulations are only worth what they are worth and before the law they have no value, as all matters coming within the subject-matter of trade and commerce are exclusively assigned to the Dominion.

Formerly, the Dominion Government had in their employ district analysts who are sent around here and there. Their services were seldom required in those days.

The dairy industry was then in its initial stage; but when it was given a strong impetus and the farmers realized that they would benefit by carrying on dairying on a larger scale, the provincial governments did not wait for the Government officers of the Dominion Department of Agriculture; they set out on organizing themselves with a view to improving and developing the dairying business as rapidly as possible, and various branches were created in the provincial Departments of Agriculture, the officers of which exclusively aimed at making their work a success in the dairying line. The Government of Ontario and Quebec delegated powers to associations, the object of which was identical to theirs. It was under those circumstances that the western and the eastern dairy associations

of Ontario originated, as also the Dairy Association of the province of Quebec.

Those various provincial associations, the organization and operations of which have proved such a success, have their respective laws and regulations recognized by their own governments under which they carry out their admirable work among the dairymen and they have an immediate control over all the dairy products in their respective provinces.

These societies have inspectors whose duty it is to test milk as to value, quality, cleanliness, manufacturing process handling in the manufactures, in short, anything coming within the province of butter and cheese manufacturing as also any other article manufactured from milk.

Now, in order to make this Act effective, it should empower the inspectors appointed by provincial governments as also the dairy associations having inspectors under their control, to testify before provincial courts, under this Dominion Act, so that the evidence given by them before these courts may be valid and effective in law.

There exists an anomaly which should necessarily be done away with if we wish to avoid dealing the dairy industry a stunning blow. We all know how apathetic the dairymen are in complying with the rules of hygiene and probity. The duty of the inspectors is to force the refractory milkmen to obey the laws and to show those who are willing to improve their methods the way to progress.

Unfortunately, nowadays, the courts of both provinces have declared to be ultra vires any prosecution brought by one of the provincial inspectors against milkmen in default. I am informed that no such prosecution may be brought without leave of the Minister of Agriculture at Ottawa, and moreover not only must the action be entered by the Dominion department, but the evidence must also be brought before the court by the same department.

Similar proceedings entered against individuals who were discrediting our dairying by their reprehensible operations have been dismissed by the court of justice in Montreal, in the city of Quebec and elsewhere, and among others, by judge Lavergne, at the Montreal Appellate Court.

Now, section 14 of the Bill which this House is preparing to pass into law and the various provisions of which I approve of, enacts: 'The Minister of Agriculture may make appointments of inspectors and other persons for the enforcement of this Act'; but it does not provide that provincial inspectors and others may be included among them.

I do not know the Government's mind. It may be that they intend to appoint a large enough number of inspectors to perform the duties of those who already exist in the several provinces. In the province of Quebec they number from 75 to 80, and Ontario has a still larger staff. In such a case, would the services of those inspectors be at the disposal of the provincial Deparments of Agriculture or the provincial dairy associations?

However, would it not be wise to insert into this Bill an amendment empowering all the inspectors holding diplomas or licenses in the several provinces and directly or indirectly employed by them for the purposes of dairying to act and avail themselves of this Bill in the discharge of their duties?

It goes without saying that those inspectors who are already officially recognized shall be authorized not only to make tests of milk, etc., and any other operation in connection with that, but also to test the precision of the scales of the lacto-densimeter, lacto-butyrometer, pipettes and other instruments in use in the dairy industry. In short, they will be authorized to enforce this Act in all its provisions. In so far as the province of Quebec is concerned, there are a number of inspectors appointed by the provincial Government for inspecting manufactures who are not under the control of any syndicate organized by the Dairy Association, but the larger number of inspectors are under the immediate control of the Dairy Association. Now, under what conditions do these inspectors exist and what are their prerogatives? Let me quote clause 1963 of 'The Revised Statutes of the Province of Quebec,' section XI, concerning the Dairy Association:

1963. The association, in order to obtain a more prompt and complete diffusion of the best methods to be followed for the production of milk, the manufacture of dairy products and, in general, the advancement of the dairy industry, may subdivide the province into regions, in which syndicates, consisting of proprietors of butter and cheese factories and other like industries, may be established.

The formation and working of such syndicates shall be governed by the regulations made by the said association and approved by the Lieutenant Governor in Council, and such syndicates shall be under the direction and supervision of the association.

To such syndicates the Lieutenant Governor in Council may grant, out of the Consolidated Revenue Fund, a subsidy equal to one-half of the expenses incurred for the service of inspec-

tion and instruction organized therein, including the salary of inspectors, their travelling and other expenses directly connected therewith, but not to exceed three hundred dollars for each syndicate. Such subsidy may be paid to the inspector of the syndicate.

The Minister of Agriculture may allow, in addition, to each syndicate inspector, a bonus varying from twenty-five dollars to one hundred dollars. R.S.Q., 75a; 54 V., c. 20, s. 1; 63 V., c. 16, s. 1; 6 Ed. VII., c. 22, s. 3; 7 Ed. VII., c. 20, s. 1.

1964. The inspectors, including inspectors-general and their assistants, shall be appointed by the Lieutenant Governor in council and shall be experts who hold certificates of competency from the board of examiners mentioned in article 1966.

Their duties shall be to superintend the production and supply of milk, as well as the manufacture of butter and cheese in the establishments so organized into such syndicates, the whole in conformity with the regulations made by the said association and approved by the Lieutenant Governor in Council.

The Lieutenant Governor in Council may, at any time, repeal or amend such regulations. R.S.Q., 1753b; 6 Ed VII., c. 62, s. 4.

As we see by those two clauses, the parties who are entrusted with those duties must have been through examinations and have followed the rank and file required for their appointment. It shows the qualifications of the inspectors for whom I ask the right of operating under this law.

I will probably apprise the hon. minister of nothing new of the important reform in the inspection system to be enforced during the coming season, because the hon. Mr. Caron must have mentioned it at the conference of the provincial Ministers of Agriculture.

So far, the greatest part of the inspection work has been carried by 68 inspectors of the Dairy Association. Those inspectors are paid one half by the Government and the other half by the owners of factories visited. In order to keep his position, an inspector must have at least sixteen factories under his inspectorate; in no way are the proprietors compelled to have that inspection, it is optional with them, but the great majority have understood the benefits of that inspection and its teachings. But the abnormal situation of the inspectors is liable to place them between their duty and their interests. The Government will wipe out that uneasiness. The province will be divided into fifty districts and the inspectors will be paid in full by the Government so that they may enjoy the fullest freedom in the discharge of their duties.

That reform will necessitate an expenditure of $65,000: $50,000 in salaries and $15,000 in contingencies, but the Government can afford to spend only $50,000. We hope that this Government will fill the gap and I dare say, Mr. the minister, that I trust your department to place in their contract a sum of at least $15,000 for the help of that inspection.

To make such an inspection efficient, it should be good to insert in this Bill a clause giving to provincial or other inspectors the same authority as that of federal officers under this law.

Motion agreed to, and Bill read the second time.

Mr. BURRELL: I would move that the Bill be referred to the Select Standing Committee on Agriculture and Colonization. It has not been the custom in the past, with I think one exception, that is, the Seed Control Act, to refer Bills of this kind to the Agricultural Committee, but I cannot quite see why that has not been done. That committee has the same powers and authority as the Railway Committee or the Committee on Banking and Commerce. It has power to call witnesses and get evidence if desired. I think it would save the time of the Committee of the Whole House and give a better opportunity to thresh out the details of this Bill if it were sent to the Agricultural Committee.

Mr. SPEAKER: Similar Bills in the past have been referred to the Agricultural Committee.

Mr. NESBITT: Before the motion passes, I would draw attention to clause 5, which reads:

> No person shall—
> manufacture, import into Canada, or offer, sell or have in his possession for sale, any oleomargarine, margarine, butterine, or other substitute for butter, manufactured wholly or in part from any fat other than that of milk or cream.

Some oleomargarine manufactured from beef suet will keep just as well as butter, and I would recommend that the minister change that section so that it shall read that no one shall manufacture and sell it as butter. If it is sold for what it really is, no harm will be done, because oleomargarine manufactured from beef suet is said by the best authorities to be as pure and wholesome as butter.

It is said to be by the best authorities that I know of; and if poor people are willing to eat margarine, knowing what they are eating, I do not see why they should not. I can understand the minister not wanting to have it sold as butter; that

would be fraud. I have seen margarine that was very hard to distinguish from good butter and that would keep excellently.

Mr. BURRELL: If I may be allowed to answer the remarks of my hon. friend, I would say that he has raised a very big subject indeed and one which is extremely debatable. I may call his attention to the fact that the Act passed by the late Administration does exactly what we are doing. It reads:

> No person shall manufacture, import into Canada, or offer, sell or have in his possession for sale, any oleomargarine, butterine, or other substitute for butter, manufactured wholly or in part from any fat other than that of milk or cream.

I am not saying that oleomargarine is not a wholesome product to eat, but if you allowed the sale of a substitute looking exactly like butter although not made of the same ingredients, you would require a tremendously large staff of inspectors to prevent men from selling it as butter. They have had a great difficulty in the United States over that, and I believe the general opinion of this country would be against it.

Mr. OLIVER: I would just like to say a word or two.

Mr. SPEAKER: At this stage of the Bill it would not be in order, unless the hon. member wishes to discuss the propriety of sending the Bill to a committee.

Motion agreed to, and Bill read the second time.

ADULTERATION ACT AMENDMENT.

On motion of Hon. W. B. Nantel (Minister of Inland Revenue) Bill No. 99, to amend the Adulteration Act, was read the second time.

Mr. NANTEL: As this Bill deals with maple sugar, syrup, and other products in which farmers are interested, I move that it be referred to the Standing Committee on Agriculture and Colonization.

Motion agreed to.

VANCOUVER HARBOUR COMMISSIONERS.

On motion of Hon. J. D. Hazen (Minister of Marine and Fisheries) Bill No. 128, to amend an Act to incorporate the Vancouver Harbour Commissioners, was read the second time, and the House went into Committee thereon, Mr. Blondin in Chair.

[Mr. Nesbitt.]

On section 1—land vested in Crown:

Mr. HAZEN: At the last session of Parliament an Act was passed constituting a harbour commission in Vancouver. The commission consisted of three men, in whom was vested the management of the harbour. Section 14 of the Act vested all Crown lands in the harbour commissioners, who had full control over foreshores and other property. Section 15 provided that all the revenue derived from water lots leased or otherwise disposed of to any persons by the Governor in Council should be retained by the corporation and form part of its general revenue. Last session I estimated that the Government of Canada received from these leases about $12,000 for the year. That was paid to the commissioners for the purpose of carrying on the business in connection with the harbour. Clause 14, which vested these foreshores and the Crown property in the harbour commissioners, provided that they should only have the power to lease these properties for a period of twenty-one years subject to renewals for subsequent periods of twenty-one years. The harbour commissioners have asked us to amend that. They have found that there are cases where, in the public interest, they think it desirable that they should not be so limited. They also think it desirable in some instances to make actual grants instead of leasing the property. I have the statement of one case under my hand now. The statement made to me by the commissioners is that the original Act was found to be unworkable in so far as grants of these lots were concerned. They saw that it is impossible to issue any grant whatever, and a case or two has been before the Government for some time where the commissioners think it is in the public interest to issue grants. For instance, there is one case where a party, acting in good faith and through years of dumping, moved the high tide mark seventy-five feet out, and on the land thus created, erected a building costing $125,000. After the land had been extended by dumping seventy-five feet out in the harbour, other people bought this property thinking that they would be securing not only the ripa and the foreshore but this expensive building, but they found that they had no title to the land upon which half of the building stood. The line of the original high tide mark passed through the centre of their building, and under the Act passed last

year neither the Government nor the harbour commissioners could give them any relief. We had no authority or power under this Act to give a grant of this piece of property to which they were fairly entitled on proper terms. The harbour commissioners have asked that this section should be repealed so that the power of leasing and disposing of these foreshores should remain, as it had been before, in the hands of the Governor in Council, with a provision that before the Governor in Council shall exercise that power he shall ask the harbour commissioners, when any application is made, for a report upon the question, and thus get their advice in regard to the matter before taking action. The Bill repeals the sections of last year's Bill, revests this power in the Governor in Council and enacts that:

> 14. The Governor in Council may authorize the Minister of Marine and Fisheries to grant any portion of the lands included in the harbour as defined by section 4 of this Act, by deed or otherwise, or lease the same for any term or terms of years but the application therefor shall be referred to the corporation for its report in the premises.
>
> 15. The revenue derived from water lots within the limits of the harbour heretofore leased by the Governor in Council or the corporation; the revenue received by the Governor in Council or the corporation after the sixteenth day of May, 1913, from any such water lots otherwise disposed of; and the revenue derived from all grants and leases made under the provisions of this Act, shall be paid to and be retained by the corporation and form part of the general revenue of the corporation.

It in no way interferes with the revenue which is derived by the corporation from these harbour lots, but it is thought better that the power of granting these lots should remain with the Crown and that the Governor in Council should exercise it after obtaining a report from the commissioners as to the propriety of disposing of the lots.

Mr. CARVELL: As I understand it, power is taken by the minister to dispose of these lots without advertising for tenders or inviting competition, but purely according to the ideas of the Government and of the commission.

Mr. HAZEN: That is right; that is being done every day, and has been done every day for many years. All the foreshores belonging to the Crown in harbours all over Canada have been disposed of for years past in that way. The procedure is this: Application is made for a grant or lease of a foreshore. The matter is referred to the chief engineer of the Department of Marine and Fisheries, who makes a report as to the rental value, or, in a case where a grant is being made, as to what amount should be paid for the title in fee simple of the property. That is submitted to the Minister of Marine and Fisheries and the Minister of Public Works, and any grant that is made is upon the joint report to Council of the Minister of Marine and Fisheries and the Minister of Public Works. The chief engineer of the Department of Marine and Fisheries has to certify that the proposed grant will not in any way interfere with the harbour or cause any obstruction, and the Minister of Public Works has to report that the property will not be required for the purpose of erecting public works upon it. That goes to Council, and it is for Council to say whether the grant or lease shall be given or not as recommended by the two ministers who have investigated the application. There has never been any sale by public auction, and I will tell my hon. friend why. Under the laws governing it, the man who owns the ripa, or bank, has an equity in the foreshore. He has not an absolute right to it, and we could not make a grant giving it to him, but if we grant the foreshore to any person other than the owner of the ripa, the owner of the ripa has the right to prevent any one else from blocking his access by water to the land which he owns and which adjoins this foreshore. You would have to have regard to the rights that the riparian owner has in the foreshores abutting his property, and it would be an improper thing, under the common law, to sell the foreshore to some one other than the owner of the ripa, thereby cutting him off from the privilege which the law gives him respecting the property which is abutting his property.

Mr. CARVELL: If it were sold, you would have to sell it subject to his legal rights.

Mr. HAZEN: The result of that would be that you would get very little for it. You would have to buy out the riparian proprietor before the foreshore would be any good to the person to whom it was granted. Supposing that certain parties were buying a piece of foreshore, they would have to buy the rights of the owner of the ripa in order to get over the bank and get to their own property. At the same time you could not block his right

of way either, because that is a right which he has over the foreshore. But for that reason it is not sold without knowing that a fair and proper price is paid for it. In some harbours there has been a somewhat hard and fast rule as to what shall be charged for leaseholds. Three years ago, in the harbour of Vancouver, the foreshore was valued at $10 per foot front, and the rental was fixed at 5 per cent of that amount. Two years ago in that harbour we increased the amount to $40, and the rental was 5 per cent on that amount. If there were fifty feet the value would be fixed at $2,000 and 5 per cent of that would represent a rental of $100 a year. There are other cases where it is most difficult to arrive at what the amount should be. All one can do is to use one's best judgment in regard to the matter, and have regard to reports from different officials of the department. I thought, when the Bill was passed last year, that it would be better to have this power vested in the harbour commissioners, because it seemed to me that they, living in the city and making a special study of harbour conditions, would be better able to come to a conclusion as to what amount should be charged.

Mr. MURPHY: That is in regard to the powers of granting and leasing?

Mr. HAZEN: Yes, and in fixing the rental, etc. But it has not worked out in practice.

Mr. MURPHY: You are reverting to the original position?

Mr. HAZEN: Yes, with the exception that, before we grant any lease, we shall get the report of the harbour commissioners, as to the value of the property and as to whether it is in the interest of the harbour to grant the lease.

Mr. SINCLAIR: There is also the very important question of policy involved in this Bill, as to whether the harbour should be kept free, and not pass into the hands of private owners. The idea, in the first place, of giving the land to the harbour commissioners of Vancouver was that they might control the harbour foreshore, and in that way make it public to a large extent, because the chief difficulty in such harbours is that, when the foreshore passes into the hands of private owners, it becomes so expensive that it is difficult to carry on trade in those harbours. In some of the harbours on the other side of the Atlantic, such as Glasgow, very large sums of money are being paid to acquire the rights of private owners; and when a merchant wants to use the harbour, he pays a small rental to the Glasgow Trust, and has the use of the hoisting gear and other appliances of the trust. That, I think, is the ideal system. I do not know whether the minister has considered the question of policy or not. It is a question largely for the harbour commissioners of Vancouver themselves. It strikes me, however, that this is a step backward in providing for the absolute sale of the property. The idea is that the property will pass into the hands of private owners and not be under the control of the harbour commissioners at all. Once the deed is given and a wharf is erected on the property, the property passes into the possession of a private owner, and the harbour commissioners have no longer any control over it except some control over the rates to be charged. The question of policy is the most important one for the minister to consider. When we pass a law granting the whole of the foreshore of a harbour to a corporation, should we allow them to dispose of it, and put the money into the public treasury?

5 p.m.

Mr, HAZEN: That is what we prevented in the Bill of last year. We did not give them any power to sell.

Mr. SINCLAIR: You are giving them that power now.

Mr. HAZEN: The policy of the Government in all these harbours is against selling, but simply to lease for a period of twenty-one years. I have changed the conditions of the lease in the last eighteen months or two years. The old lease provided for a lease of twenty-one years and then for two further periods of twenty-one years at the same rental, making it practically a lease for 63 years.

Mr. SINCLAIR: Is not that long enough?

Mr. HAZEN: It is quite long enough. I am telling my hon. friend of the change in that system that I have introduced. We provide now that, at the end of each twenty-one year period the amount of rental shall be subject to reconsideration. The property may be much more valuable. The condition of the law is that if the lessee and the Government cannot agree as to

what the rental should be, then the rental shall be fixed by application to the Exchequer Court of Canada.

Mr. SINCLAIR: Does not this Bill authorize a direct grant?

Mr. HAZEN: I am just going to explain that. The policy of the department and the Government is against giving grants in any of these harbours; but, like all questions of policy, there may be exceptional circumstances. An exceptional circumstance arises here and there where people have, before that was the policy, occupied parts of the foreshore, have established manufacturing industries and have erected extensive buildings. In such cases, as in the case of Vancouver harbour, we have to consider whether grants shall be given or not. There are other cases where people apply for sites on which to build elevators. In order to build elevators, they have to float large amounts of bonds upon the property If they have only the lease for the site, they cannot float those bonds as easily and as successfully as if they had title in fee simple, and it may be in the public interest that grants should be made. In every case the interest of the public is safeguarded. Before the Government would grant a lease or issue a patent or do anything in the way of disposing of the property, they should get the opinion of the harbour commissioners as to whether it was in the interest of the public that this should be done —what lease should be given and what rental should be charged. As far as the harbour of Vancouver is concerned, for my own part I would have preferred to leave the matter in the hands of the harbour commissioners; but after a year's experience, they have asked us to take it out of their hands.

There are exceptions to every rule and every policy; but the policy of the Government is to give leases and not to grant titles in fee simple to the foreshore privileges in the different harbours. There are a number of harbours where very grave doubts exist as to who owns the foreshore and as to whether the Crown is represented by the federal or by the local Government. The decision of the Privy Council has left the matter somewhat obscure. Their decision is that in those harbours which were public harbours at the time of Confederation, the foreshore belongs to the Crown as represented by the federal Government, but in those harbours that were not public harbours at the time of Confederation, the foreshore is vested in the Crown as represented by the provincial governments. It leaves us in a doubtful state as to what the meaning of the words 'public harbour' is—as to whether they mean a place actually used as a public harbour before Confederation, a place where goods were discharged and taken aboard ships, and a place resorted to by ships for anchorage and harbour purposes, or whether they mean a place that has the natural and physical characteristics of a harbour. One case is the harbour of Port Arthur, where people have been receiving patents from the local Government. They have started erecting buildings on the property and have borrowed money on them. Then they have found that the title is called in question, and they apply for grants from this Government for titles which they have obtained from the Ontario Government by paying for them. The matter will have to go before the Privy Council again; although the Privy Council, while laying down the rule I have mentioned, have practically said that the question whether a place is a public harbour or not will depend upon the circumstances of each case, and that it will be very hard to lay down a general rule. While the law is in a most unsatisfactory state, the only thing we can do is to administer it according to common sense and reasonable discretion.

Mr. SINCLAIR: Will the minister ask the Privy Council to clear up this question?

Mr. HAZEN: There is bound to come some day a friendly suit between the Government of British Columbia and the Government of the Dominion. In the harbour of Prince Rupert and in other harbours along the coast this question is bound to arise. It does not arise in the case of Vancouver harbour, because I think that harbour was resorted to by ships and was considered a public harbour at the time of Confederation. I think the same can be said of Victoria harbour and Halifax harbour. But as to some places on the lakes it is doubtful if they were harbours before Confederation; and there are places that are harbours to-day only by having been made harbours by the construction of breakwaters, not even having the physical characteristics of harbours naturally. Some day, no doubt, and I think it will be an early day, steps will have to be taken to settle these matters.

Mr. SINCLAIR: The kind of harbour that Halifax will be—with a breakwater.

Mr. HAZEN: Halifax is a pretty good harbour even without the breakwater.

Mr. McKENZIE: I am not surprised that this statute comes back for patching up. I have a very distinct recollection of this measure when it was before the House and in Committee last year. I protested against its provisions at that time, pointing out that it was a most extraordinary piece of legislation. But my observations at that time received very little consideration at the hands of the minister; he thought, and the House with him, that this was a first-class piece of legislation. I confess, I never heard of a case like it. There may be cases where valuable property absolutely vested in the Crown was launched into the hands of private individuals, but I have never heard of such a thing. On the other hand, there may be some difficulty in passing a title from the Crown to a private citizen or corporation. But it is certainly the safest and the best way that the title should remain in the Crown, either in the right of the province or in the right of the Dominion, until that title is finally and absolutely transferred. It strikes me as a most unsatisfactory way that the rights of the Crown should be transferred to some private corporation and that corporation empowered to exercise the rights of the Crown in respect of that land. I cannot conceive of such a method working out satisfactorily. But that is what was done last year. I am not surprised that the minister comes back and tells us that it is not working out satisfactorily and should be remedied. I cannot conceive of a better remedy than to let the old common-law have sway. When it comes to the question of erecting something on that land, of course, that is another matter. If a private wharf is built on that property, of course, it must not interfere with navigation. An Act was passed by this Parliament a few years ago under which the power to deal with matters of that kind is vested in the Public Works Department. The Department of Marine and fisheries having controlling rights to navigation, would have some rights of supervision of a work of that kind. But if an interference with navigation can be controlled absolutely by the department governing the matter, what reason is there for vesting these rights in a private body such as a harbour commission? That is what struck me as so extraordinary last year, and I am not surprised that amendment is necessary. Briefly, what I say is that the title to the Crown property should remain in the Crown, and if it is to go to the individual either by fee simple or lease, the control of that fee simple or that lease should remain in the Crown either in the right of the Dominion or the right of the province as the case may require.

Bill reported, read the third time, and passed.

GOVERNMENT RAILWAYS CLAIMS.

On motion of Hon. J. D. Reid (acting Minister of Railways and Canals), Bill No. 122, to amend the Government Railways Small Claims Act, was read the second time, and the House went into committee thereon, Mr. Blondin in the Chair.

On section 1—procedure:

Mr. CARVELL: I have to confess, in the first place, that I do not know much about the Government Railways Small Claims Act, never having lived along the line of a Government railway. But I know that an Act was passed in 1910 providing that a Government railway could be sued like an ordinary railway. I think it was brought practically under the general Railway Act so far as a suit is concerned—a policy which, I think, was along proper lines. I notice that the minister does not propose changing the general policy, but he proposes that the action shall be against the general manager. That is all right; it does not matter who the defendant is in such cases so long as he is defined. But the Bill provides not only that process shall be issued against the general manager, but that 'such process may be served upon him or upon any other person duly authorized by him to accept service or to be served with process in such cases.' It seems to me the minister is placing quite a burden on the plaintiff. For of course he will remember that this refers to small matters—I have forgotten what is the limit.

Mr. McKENZIE: Five hundred dollars.

Mr. CARVELL: Suppose that a man at Glace Bay wishes to bring an action against a Government railway, say for $5 for killing a sheep. If he has to go to Moncton to serve his process on the general manager or some person designated by him, it will cost more to serve the process than the amount of the claim.

I do not think the general manager of the railway is going to make it easier for plaintiffs by appointing some person in each town or county upon whom service could be effected. I think the minister should consider the advisability of permitting every agent of the railway to be a person upon whom service can be made. In that way the general manager will get his notice in due course, and things will be made a great deal easier for the plaintiff.

Mr. REID: It is true that in 1910 a Bill was passed providing that suit might be entered against the Government through the Managing Board of Government Railways. In this legislation the amount was limited to $200, and in 1912 it was increased to $500. The only change which is now made is the elimination of the words 'Government railways managing board' —the board, of course, being not now in existence—and the substitution therefor of the words 'general manager.' I do not think there is any objection to this Bill other than that raised by the hon. member for Carleton. I must confess that I do not know much about the law, but it strikes me that if the agent were to be served as suggested by the hon. member for Carleton there might be a possibility of the agent's not forwarding the service, with the result that judgment might be obtained before the general manager or his assistant would know anything about it. The hon. member states that service upon the general manager is expensive. Is it not customary for the claimant to mail the service to another solicitor, say at Moncton, who serves the writ upon the proper person?

Mr. CARVELL: Yes, but the claimant has to pay that solicitor. I have not a copy of the statutes here, but if the hon. gentleman will refer to the general statutes of any of the provinces he will find that provisions are made for service of process upon any corporation by service upon its agents at its local office or place of business. It strikes me that when you bring the Government railways under the general law of the land with regard to suits of this kind, there is no reason why the service of process should not be made to conform with the general laws in the different provinces. I am sure that the hon. minister would meet with no difficulty whatever if he provided for service upon the recognized agent or person in charge of the local office of the company or government sued. That would not be nearly as broad as is the general law in every province of Canada with regard to the service of process, but it would be broad enough to meet the requirements of any person having occasion to make a claim under this Act. I do not think there would be any delay on the part of the agents so far as sending in the notice is concerned; they usually look after those things promptly.

Mr. MURPHY: The amendment which the minister has introduced is probably due to something which has arisen in practice. If he could tell the committee what has arisen to make this amendment necessary, perhaps we would appreciate better the point raised by the hon. member for Carleton.

Mr. REID: The board of management was abolished a year or two ago, and the change is absolutely necessary in order to provide that there shall be a person upon whom the service of writs may be effected.

Mr. MURPHY: What about the general question of service raised by the hon. member for Carleton?

Mr. REID: There is no reason why, under this Act, the general manager should not issue general instructions to the various officers in that regard.

Mr. CARVELL: Why not provide in the Act that he shall do so?

Mr. REID: I should think that the Department of Railways and Canals would obtain the opinion of the Justice Department as to whether it would be advisable to have an order of that kind issued. I agree with the hon. member for Carleton that any person having a small claim against the road should be given every facility of service at the least possible expense. If this Bill is passed and these instructions issued, the plan might be tried for a time, and, if it works satisfactorily, be allowed to continue. I think it is better to leave it in the hands of the Government to issue an order and to allow the matter to be tried out in that way than to make absolute provisions for service upon agents.

Mr. CARVELL: I can assure my hon. friend that I am not offering this criticism in any captious spirit. If things go well, in the course of a year I hope that we will have the Intercolonial in the western portion of the province of New Brunswick, and as I make a living through the practice

of law, I expect to be called upon to act on behalf of claimants against the railway. I know that when a man loses a cow on the Canadian Pacific railway he has the habit of coming to me for redress, and I assume that he will do the same thing when the road becomes a government railway. I live 240 miles from Moncton.

It means quite an additional cost to the plaintiff to have to make the service at Moncton when he might just as well make it at his own home. In the Judicature Acts of the different provinces it is generally provided how processes shall be served on any person who represents a corporation. I think the suggestion my hon. friend is making will work out all right; the difficulty is that if the Government instructed the general manager to appoint certain persons who might accept service, then, if the Crown or the general manager did not appear in answer to the process, the burden would be upon the plaintiff to prove that the person upon whom service had been made had been authorized by the general manager to accept service, and there might be some difficulty in doing that. I think that unless the minister puts a special clause in the statute the service will have to be made upon the general manager.

Mr. REID: How has it worked in the last three years?

Mr. CARVELL: I have no idea. I have had no occasion to deal with it personally.

Mr. REID: If the Bill is allowed to go to its third reading, I shall ascertain all about the present system and shall also have the opinion of the Minister of Justice.

Mr. CARVELL: I would suggest that possibly service might be effected upon any agent in charge of any station.

Mr. SINCLAIR: The district superintendent, I think, might accept service. There is a district superintendent for each division of the road, service upon him could be regarded as service upon the general manager of the line. Could the minister explain section 4, which provides for a set-off or counter claim which His Majesty may have against any plaintiff in any action? I can understand how Mrs. Murphy, if her cow is run over on the railway, has a claim against the Government for the value of the cow; but how can the King have a claim against Mrs. Murphy?

[Mr. Carvell.]

Mr. REID: The amendment which is now being made to the section is of course really only a verbal change to suit the change of management. Its effect is that if a suit is entered against the Government railway and the Government have some claim against the party making the suit, against Mrs. Murphy, the Crown could file its claim against the plaintiff as an offset against the suit entered against the Crown.

Mr. CARVELL: Suppose Mrs. Murphy had torn down the gate or fence, then of course she could not win, as she would have been guilty of contributory negligence; but His Majesty would have the right to recover from her in the same action the value of the gate by filing the counter claim.

Mr. J. J. HUGHES: It would be a great hardship in Prince Edward Island if the superintendent on the island could not be served. For a small claim it might not be worth while sending to Moncton to effect service.

Mr. McKENZIE: In Nova Scotia there has been a doubt as to how service can be made. The courts are circumscribed by geographical limits and a writ issuing out of a court in Nova Scotia does not run beyond the limits of that province, except under very exceptional conditions. A writ out of the province of Nova Scotia does not run in the province of New Brunswick, where the manager resides. There should be a provision that a writ could be served upon him where he resides in New Brunswick by a proper officer of that place. The arrangement suggested by the hon. member for Carleton (Mr. Carvell) would be more convenient. We cannot get authority to issue a writ which runs as a binding obligation upon anybody outside of the province from which the writ issues.

Bill reported.

INDIAN ACT AMENDMENT.

On motion of Hon. W. J. Roche (Superintendent of Indian Affairs) Bill No. 124, to amend the Indian Act, was read the second time, and the House went into Committee thereon, Mr. Blondin in the Chair.

Mr. LEMIEUX: I have received from an old friend of mine, a letter in regard to this Bill, and in order that the minister may be in a position to answer the complaint, which comes from the Caughnawaga reserve, I will read it. He writes:

The earnest desire of the Caughnawaga Indians is that some good may result from our humble request.

The extraordinary piece of legislation (amendment to the Indian Act passed its first reading March 19, 1914), introduced by the Hon. Dr. Roche is too far-reaching and too injurious to Indians to be dealt with fully in a short letter. I propose only to touch upon one of the amendments, 49a of tne said Indian Act, to show how utterly the natural rights of man are disregarded in special Indian legislation, at the prompting of our official guardian.

Evidently the House does not understand the effect of this Act, and its effect is not understood by the introducer, who, as trustee for Indians, should safeguard our interests.

In former days, the Indians were consulted in the matter of a release or surrender of a reserve before it became valid. (Chapter 81, R.S., 1906, sec. 49, Indian Act.)

Recently a large and intelligent Indian deputation called upon the hon. Minister of the Interior, in regard to the Bill to be introduced to amend the Indian Act.

Our petition contained nearly four hundred names asking the Hon. Dr. Roche to 'exclude Caughnawaga,' for a great many valid reasons. First of all, we are Indians in name only; we are self-supporting, industrious, etc. Our people of Caughnawaga are well known practically in every part of the civilized world, and still we are not recognized as citizens.

The basis and scope of our Indian Act is wrong, and injurious to us, because it interferes with our enjoyments of natural and inherent rights.

We have no voice whatever in legislation. We are often opposed to it and suffer from its effect, as in the present amendment now before your honourable House.

I am convinced that the House of Commons will not pass the proposed amendment (49a) or, at all events, make it general, because there is not a man in or out of the House that knows our desires and needs better than ourselves.

I am sure that the Hon. Dr. Roche would not have introduced it had he been frankly and properly informed. It remains then to expunge it. It is due to your honour and right feeling that this be done immediately.

If you do not take any interest in the cause of the Indian, the forces of injustice will prevail, then you will say: Why have we not done so. If it should happen to pass (Bill 114) I hope that you will not think me unfair if suspicion takes root.

Justice is intended to provide for every man in this country whether his skin be white, red or any other colour.

I do not desire to exhaust the reader and I think I have said enough. My main desire is to excite humane and fair-minded gentlemen to go further and examine the subject entirely or to insist upon its being examined in a full and impartial manner.

F. McD. Jacobs,
Chief.

I hope my hon. friend will give Mr. Jacobs and the Caughnawaga tribe the opinion of the department in regard to this matter.

On section 1—to establish industrial schools:

Mr. OLIVER: Would the minister explain?

Mr. ROCHE: A foot-note is appended to the section which practically explains it. In some portions of Canada there are no schools to which we can commit Indian children. Under the present Act we are allowed to commit Indian children only to those schools in receipt of Government aid. We wish to broaden the Act so as to create any school, a school to which we can commit Indian children. We are seeking to declare any school an industrial school under the meaning of this Act.

Mr. CARVELL: Does my hon. friend contend that he has power to declare an ordinary country school, say in the county of Carleton, N.B., a school to which he can send three or four Indian children? Surely the British North America Act would step in there. If there is one thing which is pretty well settled in Canada to-day, it is that schools are under the control of the provinces. I am afraid that my hon. friend is opening up a question that may lead to trouble in the future. I refer to my own province because I see by the foot-note that some difficulty has arisen over a couple of children in the city of St. John. As I understand the law in New Brunswick, those children have the right to attend any public school in that province because the Act states that all children between the ages of five and twenty years have a right to attend the schools. I do not think, however, that this Parliament has the right to give the minister power to say that those children shall go to this school and shall not go to that school. That would be interfering with our provincial rights. My hon. friend can hardly be referring to the ordinary schools of the country, and yet the section says so.

Mr. ROCHE: It was not intended to.

Mr. CARVELL: I would think not. We have in the province of New Brunswick a number of schools that are Indian schools in a way, and there are schools to which the department makes an allowance of money. These schools are not under the jurisdiction of the school authorities of our province. There is no doubt the minister would have power to send children to these schools under the conditions that he might suggest, but I do not see how he would have any jurisdiction over the ordinary school district, or a school within that district, in the province of New Brunswick; and what would be true of that

province would be true of any other province under the British North America Act.

Mr. CARROLL: Are these industrial schools supposed to be places of discipline for wayward Indian children?

Mr. ROCHE: Not entirely; but there are industrial schools where children are sent to learn a trade and to be made more fitted for the various occupations of life. They are different from what we call the ordinary residential or day school. This is not intended to refer to the ordinary common school or to trespass upon provincial rights. But there are some institutions, like convents, which are willing to take Indian children, and we wish to take authority to commit Indian children to these schools when mutually satisfactory arrangements have been arrived at. It is not intended to force Indian children on any school, no matter what the character of the school may be. When a satisfactory arrangement is arrived at between the Indian Department and the convent, or residential school, in order to maintain these Indian children, they are committed to these schools, which are not the ordinary Indian, industrial, or residential schools.

Mr. KYTE: Is it not desirable to make this section a little more definite? The explanatory note says:

> This amendment enables the Governor in Council to declare schools, other than Indian schools, to be industrial or boarding schools and opens the way for the committal of the said Indian children and other children of the province of New Brunswick and other provinces so situated.

It would appear that this section is sufficiently broad to be applicable to the public schools of New Brunswick and Nova Scotia, and before the section passes I think it would be necessary to make an amendment restricting its application to industrial schools.

Mr. NESBITT: It says, 'any school or institution.'

Mr. ROCHE: Before coming to the House this point struck me, and I asked a question about it. I thought that it might create a difficulty. It is not intended that the Act shall apply to the common schools.

Mr. CARVELL: Is there any provision in the Act that, when you once declare a school to be an Indian school, that gives you the power to grant money to it? Section 10 reads as follows:

> The Governor in Council may establish an industrial school or a boarding school for Indians, or may declare any school or institution to be an industrial school or boarding school for the purposes of this and the next following section.

Is there anything in the Act which provides that if you declare any school to be an industrial school you have the right to make a grant and have control over it? There may be something in the Act which would make that section harmonize with the rest of the Act.

Mr. ROCHE: When we send a child to one of these schools, the school is in receipt of a per capita grant, and it is declared to be an industrial school within the meaning of this Act.

Mr. CARVELL: If I had read the whole chapter through I might have found something that would explain the section, but as the section reads now it appears to me to be very broad.

Mr. ROCHE: The particular regulation referring to this clause is the following:

> Under the provisions of section 10 of chapter 81 of the said Act all industrial boarding schools receiving a per capita or other grant from the Government for the education of Indian children are declared to be industrial and boarding schools for the purposes of sections 10 and 11 of the said Act.

Mr. CARVELL: That may be so under the regulations which the department may have made, but it is not the real question which we are discussing now. We are discussing the powers conferred upon you by the statute. Any regulations that you might make would not affect the statute itself.

Mr. SINCLAIR: If the minister wishes to avoid the difficulty that has been suggested by my hon. friend from Carleton (Mr. Carvell), it might be done by adding these words after the word 'institution':

> Under the control of the Department of Indian Affairs.

Then it would read:

> The Governor in Council may establish an industrial school for a boarding school for Indians, or may declare any such school or institution, under the control of the Department of Indian Affairs, to be an industrial school or boarding school for the purposes of this and the next following section.

Mr. ROCHE: That is not what we are seeking to accomplish. We could do that under the Act now.

Mr. SINCLAIR: But is not the objection that is raised the fact that we are giving to the Governor in Council power to declare any school in a province an industrial school? We do not wish to give him that power, but if you limit the Act so as to apply to any school that is under the control of the department, I see no reason why it should not pass.

Mr. CARVELL: You might interline it in this way:

May declare any school to be an institution with which the department has made an arrangement or an agreement.

Mr. ROCHE: That would be more in accordance with our practice. I will allow this section to stand with a view to amending it in that way.

Mr. OLIVER: I wish to say, in regard to the principle contained in this section as it stands, that there is every objection to the Government taking authority to control the liberty of the individual under an authority other than that of the Government itself. As the Act is at present, the liberty of a neglected Indian child can be restrained and the child can be placed in an institution that is under the control and supervision of the Government. That is clearly a restraint of personal liberty, but to restrict the liberty of an individual and place him under the restraint of an institution which is not under the control of the Government, involves a principle that I would object to very strongly. Without drawing the line too tightly, certainly the suggestion made by my hon. friend from Guysborough (Mr. Sinclair) and my hon. friend from Carleton (Mr. Carvell), would be very necessary, so that even if the Government did not absolutely control the educational institution it would have such authority that the Government would be responsible for the character of the institution and the care and attention that would be given to the child placed under restraint.

Section 1 allowed to stand.

On section 2—taking lands for schools:

Mr. CARVELL: What is the object of section 2?

Mr. ROCHE: At some places where it has been necessary to get certain lands for schools, we have been unable to acquire them, where they have been held under what are called location tickets. It has been impossible to get the persons occupying such lands to surrender them for the purpose of building schools or making additions to schools. This section is for the purpose of laying down the mode of procedure by which we can get control of the land for the purpose of erecting such schools.

Mr. CARVELL: What do the words 'location tickets' in the Act mean?

Mr. ROCHE: In some of the reserves the occupation of the land is held by individual Indians under what is called location tickets.

Mr. CARVELL: It is not intended to give power to take land other than land belonging in some way to the band or the reserve?

Mr. ROCHE: No, not at all.

Mr. OLIVER: When will this Bill be taken up again?

Mr. ROCHE: Does my hon. friend desire that it be not taken up to-night?

Mr. OLIVER: I would rather desire that. I shall not be back just as soon as the House convenes after the Easter recess; and as a favour I would ask that the Bill be not taken up in my absence.

Mr. ROCHE: I will arrange that.

Progress reported.

At six o'clock, the House resumed, and then took recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

ATLIN RAILWAY COMPANY.

The House in Committee on Bill No. 123, to incorporate the Atlin Railway Company.—Mr. Michael Clark. Mr. Blondin in the Chair.

Mr. OLIVER: Is this a new incorporation?

Mr. REID: Yes.

Mr. OLIVER: What does it propose to do? If some member of the committee will make a statement that can go on record giving information as to the nature of the Bill and its purposes, that will, I presume, be satisfactory.

Mr. HAZEN: There does not seem to be anybody here who knows anything about it.

Mr. REID: Better let it stand.

Progress reported.

UNIVERSITY OF EMMANUEL COLLEGE.

The House in Committee on Bill No. 89, respecting the University of Saskatche-

wan.—Mr. McKay. Mr. Blondin in the Chair.

Mr. OLIVER: What is the nature of this Bill?

Mr. McKAY: Chapter 47 of the Dominion Statutes of 1883 incorporated the University of Saskatchewan, to be located in the then diocese of Saskatchewan. Hon. gentlemen will remember that in 1883 there were no provinces of Saskatchewan and Alberta, but the territory within those provinces was then part of the Northwest territories, consequently the Dominion Parliament had jurisdiction to pass that Act and incorporate that university. In 1905 part of the territory within which this university was located was formed into the province of Saskatchewan. The Legislature of the province of Saskatchewan, whether rightly or wrongly—I am not taking any objection to that part of it—passed an Act creating a provincial university under the name of the University of Saskatchewan, exactly the same name that had been granted to the university which is the subject of the present measure. This provincial Act went further and declared in effect that no other university having power to confer degrees should bear or adopt the name 'University of Saskatchewan.' Now, those who are interested in the first University of Saskatchewan are quite willing, in order that there should be no conflict of names, to give up the name to which they were entitled by priority and to assume the name mentioned in the present Bill, namely, 'University of Emmanuel College.' I do not know whether this is the proper time to mention it, but I would suggest an amendment to make it explicit that we are dealing with the University of Saskatchewan incorporated by the Dominion Act.

Mr. CARVELL: That is referred to in the recital, and the statute is mentioned.

Mr. SAMUEL SHARPE: The hon. member (Mr. McKay) might make the motion now. The amendment makes no material change, but merely identifies the university and makes more definite the intention of the Bill.

Mr. McKAY moved that the words 'being the university incorporated by chapter 47 of the statutes of Canada of 1883' be inserted between the words 'Saskatchewan' and 'herein.'

[Mr. J. D. Reid.]

Amendment agreed to.

Bill reported.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill No. 115, for the relief of Gertrude Carmen Birks.—Mr. Baker.

Bill No. 116, for the relief of Rose Ethel Freedman.—Mr. Fripp.

Bill No. 118, for the relief of Ella Rose Morris.—Mr. Douglas.

Bill No. 119, for the relief of Alicia Hill.—Mr. Douglas.

Bill No. 121, for the relief of Eliza Jane McLaughlin.—Mr. McCraney.

Bill No. 124, for the relief of Lenore Power.—Mr. Porter.

Bill No. 125, for the relief of Walter James Liscombe.—Mr. Douglas.

Bill No. 127, for the relief of George Fullerton Forsythe.—Mr. Schaffner.

SECOND READINGS.

Bill No. 130, respecting certain Patents of Thomas Leopold Willson.—Mr. Fripp.

Bill No. 131, respecting the Sterling Life Assurance Company of Canada.—Mr. Buchanan.

Bill No. 132, respecting the W. C. Edwards and Company, Limited.—Mr. Fripp.

Bill No. 133, for the relief of Johann Andreas Horn.—Mr. Schaffner.

Bill No. 135, respecting a certain Patent of Rudolf Goldschmidt.—Mr. Fripp.

SUPPLY.

The House in Committee of Supply.

Fisheries—Salaries and disbursements of Fishery Officers, including the expenses of the Fisheries Advisory Board, and an allowance of $300 to W. J. E. Casey, secretary thereof, $250,000.

Mr. SINCLAIR: Will the minister explain the increase of $20,000?

Hon. J. D. HAZEN (Minister of Marine and Fisheries): There is an increase of $20,000 which may be in excess of the amount really needed although it is pretty hard to say. The expenses of the Fisheries Advisory Board are paid out of this appropriation and during this year it is estimated that they will be in the neighbourhood of $6,000. Last year there was only one meeting of the Atlantic Committee, one of the British Columbia Committee and none of the Prairie Committee. Hereafter there will be two meetings per year of each committee. It is also proposed to give a small increase to the fishery officers in British Columbia and the western provinces, and

this increase, with those which will have to be made throughout the country, with the $6,000 which it is estimated the Fishery Advisory Board will cost and with a certain amount of increased printing, which it is estimated will be required, will probably bring the amount up to pretty nearly this increased estimate.

Mr. SINCLAIR: What has the Advisory Board cost up to date?

Mr. HAZEN: I gave the figure in answer to a question in the House the other day. I do not remember what it was, but my recollection is that it was in the neighbourhood of $2,000 for the year.

Mr. SINCLAIR: That is what I recollect myself. It is a very small amount. It does not compose any substantial part of this very large sum.

Mr. HAZEN: It is expected this year that it will be about $6,000, because last year no meeting of the prairie section was held, and only one meeting of the Maritime provinces and British Columbia sections.

Mr. SINCLAIR: At the time that the Advisory Board was appointed, about a year ago or more, the minister was expecting very important results from its work. I have not been able to learn that he has adopted any of the suggestions made by the board. I would like to know from him of what use the board is to the department or if it is making any useful suggestions and doing anything to help the department in its work.

Mr. HAZEN: The opinion of the permanent officials of the department is that the board has been of very considerable value. We have adopted a number of recommendations that the board has made. I have not a list of these recommendations to give to my hon. friend, but a number have been adopted from time to time, and I believe that the board is a very valuable aid to the permanent officials in discussing fishery matters and in arriving at proper conclusions.

Mr. SINCLAIR: The board made a number of suggestions regarding the fishery regulations, and if the minister has adopted these suggestions it would be well for him to show them to the House, because they are of very great interest to the people engaged in the fisheries.

Mr. HAZEN: Practically all the suggestions regarding the lobster regulations were adopted and have been published in the Canada Gazette.

Mr. SINCLAIR: How are the fishermen to be informed as to what those regulations are?

Mr. HAZEN: By notice through the Gazette and by notice being sent to the inspectors. Printed copies are sent to the inspectors to be circulated amongst the fishermen. These regulations were published in the Gazette last week and printed copies are now being obtained.

Mr. SINCLAIR: I think it would be well for the minister to lay before the House a copy of the regulations that have been adopted. There has always been a great deal of difficulty about the fishermen getting information on these questions. As far as publication in the Gazette is concerned, everybody knows that the Gazette is not read by anybody in the country except a few lawyers It never reaches the fishermen at all. These regulations are not very often published in the newspapers. At the time that the Fisheries Act was before the committee, I made a suggestion, which I trust the minister will work out, that the regulations made here should be published in the yearly statutes.

Mr. HAZEN: That was put into the Act.

Mr. SINCLAIR: That will help. But if those new regulations relating to lobster fisheries have been adopted and are now in force, it is important that the minister should give the information in the House so that it will be made known to the country.

Mr. HAZEN: We have had some 5,000 copies of the regulations published, and we are sending them to the different inspectors throughout the country, asking them to circulate them amongst the fishermen, so that they will be familiar with the regulations. On Monday I shall be very glad to lay a copy of the regulations on the table of the House. What the hon. gentleman says is true. It has been almost an annual subject of discussion for many years in this House, to discover the best way to circulate knowledge of these regulations; and the officials of the department, who are naturally desirous of meeting the wishes of Parliament and are doing their best in the matter, have decided that they are doing the best they can by publishing these regulations in the Gazette. They have them printed and send copies of these printed

regulations to the different inspectors, instructing them as far as possible to make their contents known to the fishermen throughout their districts. If any hon. gentleman will suggest a better way, the department will be glad to act upon it. For my own part, after talking with the superintendent of fisheries and the deputy minister after the discussion which took place on the revision of the Fishery Act, I can conceive of no better way of doing it than the way in which it is being done at present.

Mr. SINCLAIR: Does this item include the salaries of officers engaged in the publication of the fishery bulletin or in collecting information to be published in that bulletin?

Mr. HAZEN: Yes.

Mr. SINCLAIR: In my judgment the bulletin is very inaccurate. It is of no service at all in so far as giving useful and correct information in regard to our fisheries is concerned. I took the opportunity some weeks ago of asking the minister how he obtained the information that appears from time to time in the fishery bulletin. He informed me that it was sent to the department by the fishery officers throughout the Maritime provinces; that those fishery officers did not receive any remuneration for the work, and that it was part of their duty as fishery officers to collect this information and to forward it to the department. We could not expect them to get accurate information under such circumstances, because there would be a good deal of expense involved in collecting anything like correct information on the coast of the Maritime provinces in regard to the quantity of fish caught. For example, in my own constituency there are 150 miles of seacoast line dotted all along the shore with small harbours, in each of which a number of fishermen work. In my constituency there are two fishery officers, one having jurisdiction over about 100 miles of coast and the other over about 50 miles. It would be mere guesswork on their part to state to the department that so many haddock or codfish had been caught in a certain month. They do not know nearly so much about it as I do, because they are not in touch with the fishermen on the coast. One of them lives in the town of Guysborough.

9 p.m.

Mr. HAZEN: Would he not be in touch with the dealers from whom he could get information?

Mr. SINCLAIR: I do not think so, because, if so, he could get correct information. Some of the dealers have sent me statistics as to the quantity of fish caught, and their figures are so much greater than those given in the bulletin that the bulletin would be laughed at by any dealer along the coast. The fact must be that the inspector in my constituency who furnishes this information for the bulletin is not endeavouring the get information at all, but is arriving at it by mere guesswork. You cannot expect this man to travel along this coast every month for a hundred miles and see the dealers and send anything like correct information to the department, when he is not paid anything for doing the work. He would get a good deal of information by using the telephone or the telegraph line if instructed to do so.

Mr. HAZEN: He is.

Mr. SINCLAIR: As long as no allowance is made to him for his services, I do not suppose he is very much interested in the matter. The bulletin is a most absurd looking document. It starts out by professing to give statements by counties. The minister can take up any copy of the bulletin he chooses. It does not give statements by counties at all. Take, for example, the bulletin for December, 1913. The heading is:

> Returns showing by counties the quantity and value of all sea fish caught and landed in a green state, and the estimated proportion of the catch marketed or intended to be marketed in a fresh, dried, pickled, canned, etc., state during the month of December, 1913.

Then, when we come to look at the counties, the bulletin referred to gives the counties of Richmond, Cape Breton, Victoria, Guysborough, Halifax, Queens, Shelburne, Yarmouth, Digby and Annapolis, but a number of counties are left out altogether and there is no return for them. That is the case in nearly every one of these bulletins.

Mr. HAZEN: In that month would there be any fishing in the counties left out?

Mr. SINCLAIR: There would no doubt be some fishing. There might be some counties in which there would be no fishing. Take the bulletin for January, 1913. The same heading appears in all these bulletins, professing that the work is done by counties.

Mr. HAZEN: We have there the counties of Richmond, Cape Breton, Victoria, Guysborough, Halifax, Lunenburg, Queens,

Shelburne, Yarmouth, Digby and Annapolis.

Mr. SINCLAIR: And you have the counties of Inverness, Hants, Kings, Colchester and Antigonish all omitted. That is the season in which smelts are caught in the province of Nova Scotia, and no doubt in the other provinces. The same is true of the province of New Brunswick; you will find that counties that produce the most smelts in certain months of the year are not mentioned at all. Charlotte is the only county mentioned in January, 1913. The counties of New Brunswick where most fishing is done in January are the counties of Gloucester, Kent, Northumberland and Restigouche; and yet no mention is made of these counties. Now, take the cod and haddock fisheries of January. This return shows that there were only 1,100 cwt. of codfish and 8,800 cwts. of haddock caught during that month in the county of Guysborough, the value being placed at $14,575. We happen to know something about the quantity caught in that month. Last year the question was up in this House regarding branch railways, and Mr. Whitman, of Canso, collected some information and forwarded it here, and I placed it on 'Hansard.' Mr. Whitman telegraphed under date of 24th of January, 1913:

> Another week of stormy weather has made it difficult for the boats to fish. Landings for the week, 150,000 lbs. of haddock.

Mr. Whitman sent the following telegram to the Prime Minister:

> Canso, January 24, 1914.
>
> Hon. R. L. Borden, Ottawa:
>
> Your kind reference to the present need of railway conection to fishing centres encourages us. Eastern Nova Scotia will show surprising progress if shipping facilities provided for fisheries. We know you have always recognized this and hope you can arrange to have the matter carefully considered now. Canso's shipment of fresh fish over Intercolonial railway this month will approach hundred carloads. What we could ship with better facilities can be inferred.
>
> E. C. Whitman.

Mr. HAZEN: That would include frozen fish?

Mr. SINCLAIR: I do not think they freeze the fish, but ship them packed in ice in a refrigerator car. But, whether frozen or not, this is the amount caught and landed in January, 1913. Now, if you compare the bulletin with the statement of Mr. Whitman, the bulletin becomes merely ridiculous. And the same is true for 1914. I happened to get similar information regarding Canso for the month of January, 1914, and I find that the bulletin was just as far out in that year as in the year before. And Canso is only one point in Guysborough, though the most important one; but there are others at which considerable fish is landed. The value placed on fish by the bulletin for the whole county of Guysborough was $14,978. Deduct the value of the hake and smelts and you have $14,575. This means that Canso alone, according to Mr. Whitman's statement, sent out fish to the value of $60,000, estimating it at 1½ cents per lb., which is the current price in Canso. Now, take the product for the year. I have figured up the returns in the bulletin for my own constituency for the year 1913, and I find that the total amounts to only $449,740. But we have the shipments from Canso to Mulgrave to guide us, and these are correct, because we get the figures from the Intercolonial railway at Mulgrave. From Canso alone and by this route alone the fish shipped represented the value of $417,680, estimating it at the market price. This is only the port of Canso. But there are coasting steamers from various other ports along that coast that carry fish to Halifax. Then a great deal of fish is salted or disposed of in other ways. Yet we find that Canso alone shipped out about as much fish as is credited to the whole county of Guysborough in the bulletin. And besides this we have 150 miles of coast with a large number of places where fish are caught. So that there can be no doubt at all that this is incorrect. The fish from such places as Drum Head, New Harbour, Bickerton, Liscomb and Marie Joseph and not reach Canso. They are quite a distance west of Canso and the shipments would reach Halifax or some other market. I have no doubt, from these facts, that the information found in the bulletin is so incorrect that it would be far better not to have it at all. I am not sure whether the minister compiled his return for the year from these bulletins, but if he does his return will be very misleading indeed. I had been under the impression that the returns were compiled largely from the statements made by claimants for bounties, but that is not correct either. The matter was largely one of guess work. All the fisherman cares for is to prove that he has caught enough fish to qualify for the bounty, and as a rule he does not keep any definite record that would enable the

officials to compile correct statistics from the bounty returns. When Mr. Cowie was appointed and a new branch of the department established to do this work, we all thought that there would be a reform. It appears to me, however, that if the work is carried on as it is carried on now, it will be worse than nothing, and it would be better to pension Mr. Cowie, disband his officers and leave the matter alone. I am certain that I am correct in this matter, and I would like the minister to give it his serious attention. I am not speaking in any party spirit; the minister can see how very important it is that the fishery statistics which we send abroad as to the catch in the provinces of Nova Scotia, New Brunswick and Prince Edward Island should be absolutely reliable.

Mr. TURGEON: The reports for December and January certainly struck me very forcibly, although I am not in a position to say that they were not correct. In Gloucester county the conditions may change and be more or less favourable at different times, but in the Tracadie, Pokemouche, and Caraquet rivers and in Bathurst harbour, even in the month of December, when the waters are frozen over, fishing may be done with hook and line. Although I am not in a position to criticise, I must say that my attention was drawn to the showing of the return, and, with the hon. member who has just taken his seat, I would ask the hon. minister to call the attention of his officers to this matter.

Mr. KYTE: I should like to call the minister's attention to what is a very apparent inaccuracy in the bulletin of fishery statistics for the month of February last. It is stated in this bulletin that the quantity of smelts caught in the county of Richmond, Nova Scotia, was 6,000 lb., valued at $120, or 2c. a pound; in Cape Breton county, 4,200 lb., valued at $1,260, or 3c. a pound; in Antigonish county, 5,600 lb., valued at $280, or 5c. a pound; in Guysborough, 1,000 lb. valued at $50, or 5c. a pound; in Lunenburg, 800 lb., valued at $80, or 10c. a pound. I am not going to challenge the correctness of the quantities that are set out here as having been caught in the different counties, because I am in no position to verify the figures, but it does seem to be extraordinary that there should be such a difference in the value of the smelts caught in the same month in adjoining counties. I do not know who the fishery officers are, or who are the functionaries who furnish the information for the county of Richmond, but it is apparent upon the face of it that these figures are absolutely inaccurate. Smelts caught in the county of Richmond should certainly be worth as much as smelts caught in Antigonish, and the same is true with regard to all the other counties of the eastern part of the province of Nova Scotia. The smelt fishermen of Richmond county ship smelts direct to the United States market, and the smelts caught in Antigonish, Guysborough and Cape Breton counties are sold in the same market. If those smelts bring seven cents a pound in the county of Inverness and ten cents a pound in the county of Lunenburg, surely the value of the smelts caught in the county of Richmond would be pretty nearly the same. I merely point this out for the purpose of showing the hon. minister how absolutely unreliable and inaccurate this information is, and unless some officials can be found who can furnish information that is reliable to some extent at least, it would be very much better that these statistics should not be given at all.

Mr. SINCLAIR: The bulletin for the month of January gives the following as the catch: Cod, 8,979 cwt.; haddock, 964 cwt.; hake, 48 cwt. That is the catch, as I understand it, in the whole of Guysborough county for January, 1914. I happen to have the correct information as to the catch for the week ending January 3, 1913, and the amount caught at Canso alone during that week was 912,000 lbs.; for the week ending January 10, 1914, the amount is estimated at 700,000 lb., making a total of 1,612,000 lb. in two weeks. Deducting 153,000 lbs. for the three days in December, we have a total catch of 1,459,000 lb. landed at Canso alone during the first ten days in January. If you give the Canso fishermen three weeks fishing in January —and they will have more than that this year—the catch will average 700,000 lb. a week, that is, 2,100,000 lb. That would be the catch of Canso alone, whereas the bulletin reports only 1,000,000 lb. for the whole county. The names of some of the men who caught this fish, for the week ending January 3, 1914, were: H. Kavanagh, 27,000 lbs.; Pat Ryan, 15,000; Jake Manuel, 24,000; W. Power, 23,000; W. Ryan, 12,000; K. Meagher, 12,000; Sam Hurst, 11,000; J. Lumsden, 26,000; F. Lohnes, 33,000; G. Little, 20,000; J. Kennedy, 20,000; R. Mosher, 16,000; C. Mosher, 20,000; L. Feltmate, 18,000; Ed. Kavanagh, 25,000; J. Hearn, 14,000; Ed. Hearn, 18,000; Thos. Fanning, 16,000; J. Grady, 8,000; J. J. Berrigan, 14,000; John

Hurst, 14,000; George Ryan, 22,000; Matthew Munroe, 18,000; Frank Hawes, 22,000; John Boudrot, 26,000; Frank Goodwin, 15,000; D. Walsh, 8,000; W. Shrider, 17,000; Fred. Rhynolds, 15,000; Thomas Carter, 11,000; Sandy Meagher, 17,000; Samuel Snow, 17,000; Levi Ehler, 10,000; S. Munroe, 9,000; S. Hurst, 8,000; John Carter, 11,000; dories and other boats (estimated), 300,000; total, 912,000 pounds.

That is a total of 912,000 pounds in one week, very nearly as much as is given by the bulletin for the whole month. According to the statement, the following week there were one or two stormy days and only 700,000 lb. was caught; but the information I have is that the average at Canso alone during January 1914 was about 700,000 lb. for each week. The bulletin gives a little less than a million lbs. for the whole month. It would appear that the officer who has charge of this branch in that district did not ask anybody, but simply sat at home in his office in Guysborough, thirty miles away, and made an estimate in his own mind and sent a guess to the department. That is the way the work must be done, because if he had gone to Canso or had written to the merchants he would have got this information that I have received. I have no doubt about the correctness of this information, and as I have gone into it in detail I hope I have convinced the minister of the importance of looking into this matter and trying to have it adjusted.

Mr. LAW: How are these statistics prepared? Does the inspector or the overseer of the district prepare them? From whom does he get the information. As far as Yarmouth is concerned, the fishermen take very little stock in this bulletin; but I am not in a position to point out where there are any inaccuracies or where the bulletin is correct, as my hon. friend has done. It has always been a mystery to me where the overseers got the information.

Mr. HAZEN: The system that I believe was in force up to early in 1911 was that the statistics were gathered together once a year by the fishery officers from the best sources available and they were largely dependent on the returns that were made at the time the bounty checks were being paid. The department determined to get better statistics, and about 1909 Mr. Cowie was employed. In the spring of 1911 the system of getting these monthly returns and issuing a monthly bulletin was adopted by the department. It is the duty of the overseer in each district to get the returns from the best source he can, from the officials under him at the different places in the district in which he is overseer, or if necessary from local dealers or others. Blank forms for the purpose are furnished. Instructions are given to the inspector to keep an oversight on the matter, to try and inform himself as well as he can and to see that the statistics are correct. In addition to that, a circular letter was sent out by the department to all the different fish dealers who would be in close touch with the fishing operations, and they were asked to write to the department from time to time if they saw inaccuracies in the bulletin and to let the department know if they thought mistakes were being made, so that the department might be in a position to correct them. I am told by the superintendent of fisheries that, up to the present, practically not a single complaint has been received at the Fisheries Department from any of these dealers. It therefore comes as a surprise to the superintendent of fisheries, who is with me, that the complaint of the hon. member for Guysborough is so sweeping in its character. It would have occurred to the superintendent, as it would to almost any one else—and I say this without reflecting on the statement of the hon. member—that if such glaring inaccuracies had occurred, even if they had not been especially requested to do so, the dealers to whom these bulletins are sent would have informed the department of the error. But when we consider that they were especially requested to inform the department of any error, the statement comes as a greater surprise. I entirely agree with the hon. member for Guysborough that it is useless to publish statistics unless they can be relied upon; they are worse than useless if they do not give an approximately correct idea of the fishing operations carried on and the quantity of fish caught. I say approximately, because it cannot be expected they will be absolutely correct. There must be some variation, although, of course, it should be impossible that there could be such a discrepancy as exists between the statement of the hon. member for Guysborough and the bulletin. I am not prepared, I would not be expected to be prepared to say that the bulletins are grossly inaccurate. All I can say is that I will most certainly ask the officers charged with the duty of looking after the

gathering of these statistics to thoroughly investigate the matter at once, and if it is found that they are nearly as inaccurate as would appear, I think we should take prompt steps to have them made more accurate so that they can be relied upon, and instructions to that effect will be given to the officers. It seems to me as if the statement made by the hon. member for Guysborough is made after careful inquiry, and it looks as if he might be pretty near the mark. I, of course, say that subject to correction, as I do not pretend to give an opinion one way or the other at the moment.

The hon. member for Richmond (Mr. Kyte) has referred to the discrepancy in the price of smelt. That might be accounted for by the quantity caught and the nature of the market at the time they were caught. If only a small quantity, practically used for home consumption in the markets near at hand, were caught, I presume that a larger price would be charged than if a large quantity were caught for shipment outside of the province. Those who collect the statistics are instructed to give the market value of the fish at the port to which the fish are brought. Those are their instructions. It is hard to understand why anybody making these returns would think it worth his while to give anything but the correct market value at the port to which the fish, are brought. I fully appreciate the trouble my hon. friend from Guysborough has gone to, and I will certainly see that the matter is made the subject of most careful inquiry with a view to remedying in future any fault in the system of collecting these statistics.

Mr. KYTE: The fishermen in my county are their own shippers. They ship the fish to the United States markets direct. I say that the statement as to price is a mere guess on the part of the person who furnishes this information. Perhaps the hon. minister has the names of those persons for the county of Richmond.

Mr. HAZEN: I can give my hon. friend the names of the overseers in his county.

Mr. KYTE: I know the overseers myself. They live many miles from the sections of the county of Richmond where these smelts are caught. Inasmuch as the fishery officers are not paid for collecting these statistics, they can scarcely be expected to visit the districts where the fishery operations are carried on, and for that reason I say that any information forwarded by them to the department is a mere guess. I am absolutely certain that the fishery officers, with perhaps one or two exceptions, do not get the information from the men who catch the smelts. The discrepancy is so absolutely manifest upon the face of this bulletin that some explanation is certainly in order as to why the information as to price is not more accurate. There is no considerable quantity consumed in the local market and the fishermen of the county of Richmond receive practically the same price as the smelt fishermen in other parts of eastern Nova Scotia.

Mr. HAZEN: The fact that these officers do not live where the fishing operations are carried on is no excuse for their giving incorrect information. Most of them live, I presume, near a telephone or a telegraph line and they are instructed to use the telephone and the telegraph at the department's expense.

Mr. KYTE: Would it not be worth while to institute some inquiry as to the sources of information upon which these officers draw?

Mr. LOGGIE: The county I have the honour to represent shipped to local and foreign markets 382 tons of smelts during the month of February, and you will see by the bulletin that the average price was over five cents a pound. Never in the experience of the smelt fishermen of New Brunswick have they received such a good price for their smelts as this year. I wonder if the hon. minister could give me the reason for that? Their only markets are Canada and the United States. I will tell the minister why the price is so much better this year. It is because the United States took the duty off. The Canadian consumer of course has to pay that much more for what he uses. That has increased the cost of living in Canada and I leave it to the Minister Finance to get us out of that difficulty. Could not the Minister of Marine and Fisheries check these quantities each month with the entry outwards which is made at every port through which the fish are exported to the United States? That would be very useful information to the public.

Mr. HAZEN: I think the customs returns show that.

Mr. LOGGIE: I suppose we could pick out the information from the customs returns, but the Customs Department does not issue a monthly bulletin as the Department of Marine and Fisheries does. It

seems to me that it would not be very difficult for the minister to publish each month the quantities exported and to what country. That would be a check on the values and on the quantities. The price of smelts as given for the county of Richmond is absolutely inaccurate, as the smelts were worth practically 200 per cent more than that on the fishing grounds.

Mr. CARVELL: What about Lunenburg?

Mr. LOGGIE: I understand that the price there is very high, probably the local trade accounts for that. In Northumberland county, in Gloucester and Kent the quantities are very large. Three hundred and eighty-two tons for one month from Northumberland county gives you some idea as to the value of the American market to the fishermen of that county, especially when it is not a taxed market. By the taking off of the American tax the fishermen of Northumberland county have reaped the benefit to the extent of $15 per ton on 382 tons in one month.

Mr. SINCLAIR: I think the hon. member for Richmond (Mr. Kyte) gave the correct explanation when he said that the minister did not get accurate information because he did not pay anything for the work of collecting these statistics. I asked a question during the present session as to what it cost to get up this bulletin and the answer was: for 1912-13, $1,251.78, and for 1913-14, $1,222.15. How can we expect to get important work like this done along the coast of the Maritime provinces and of British Columbia for the paltry sum of $1,200?

If you want the officers to take any interest in this work you must pay them something. If the minister is going to deal with this question in a proper way he must put some amount in the Estimates for the present year to pay for the collection of the information with which to get up these bulletins.

Mr. LAW: To whom are these bulletins sent each month?

Mr. HAZEN: To all members of Parliament, to the different fishing concerns, to the newspapers and practically to everybody who sends in his name and asks that they shall be sent to him.

Mr. LAW: Can any fisherman, or any person, have them sent regularly if he forwards his name to the department?

Mr. HAZEN: Yes, write to the department and I shall be glad to give instructions to have them sent.

Mr. McKENZIE: Can the minister give me the name of the fishery overseers for the county of Queens?

Mr. HAZEN: The overseers for the county of Queens are Charles Young and W. E. Fraser.

Mr. McKENZIE: Is Mr. Fraser an overseer?

Mr. HAZEN: Yes.

Mr. McKENZIE: I wish to call the attention of the minister to something more or less interesting about W. E. Fraser.

Mr. HAZEN: When I say Mr. Fraser is an overseer I should say that I am under the impression that he has resigned.

Mr. McKENZIE: When did he resign?

Mr. HAZEN: Some time early in February.

Mr. McKENZIE: Was he ever loaned by the minister's department to the Department of Militia for any purpose?

Mr. HAZEN: No, I have never heard of such a thing. I do not know what he would be doing there.

Mr. McKENZIE: Hon. members opposite take a great deal of pleasure, and have a good deal of pride, in talking about the local election that took place in Nova Scotia in February last. The result was satisfactory to them. I had the pleasure of experiencing the presence of this man Fraser in the county of Victoria. This distinguished officer of the minister, on election day, furnished by somebody with moneys which he lavishly expended, maintained an open public house within a few hundred yards of a polling place in a certain district in Victoria county where he dispensed rum, cigars and all other luxuries that science could devise and money could buy. He represented himself as not only an officer of the Marine and Fisheries Department, but as an officer who was selected by the Minister of Militia and sent to the county of Victoria for the purpose of settling the Fenian Raid claims. He told the electors who were looking for their Fenian Raid bounties that he was selected by the Department of Militia and Defence and sent down to Victoria with plenary powers to settle every claim that was outstanding. He went to the extent of offering to pay seventy-five per cent of the $100 claims of some of the electors in the district where he held the public house on election day, provided, of course, that they delivered

the goods or voted for his man. I do not know how much money he paid out in that way but he was well armed, according to the reports, with the necessaries. He assured the people that he was the accredited representative of the Militia Department. I was informed by the hon. Minister of Militia and Defence (Mr. Hughes) that no man was authorized to do such a thing, and that he had not given Fraser, or anybody else, any authority to speak for him in that connection. What I say to the minister I can prove to the hilt if necessary. If Fraser is an officer of the minister I think it would be reflecting a little more credit on his department if this gentleman would at least tell the truth when he went on missions of this kind. I do not think he should have gone at all. I think he should have respected his office more than to go outside of his own county and try to debauch the electorate as he did in the county of Victoria. I do not think he should have gone, but if he did go he should have been paid sufficiently to tell the truth and, if he had to lie about any department, let him lie about his own department. He transgressed every rule of decent lying by lying for a department that he had nothing whatever to do with. I complain of this conduct on the part of any officer of the Government. I bring the matter before the minister so that in future he may perhaps know that all his officers are not saints when he hears complaints about them and will have reason to believe that there may be some truth in these complaints. I make these statements upon my responsibility as a member of the House, and I am well able to back them up in this particular instance when occasion requires.

Mr. TURGEON: While we are on the subject of active partisanship, I am sorry that I have to trouble the minister again, but I would ask him if, according to the promise that he made on the 27th of February last, he has written to the fishery overseers in the county of Gloucester?

Mr. HAZEN: I gave instructions to the department that they should be written to.

Mr. TURGEON: May I ask the minister if he has written to James Doucett of Petit Rocher?

Mr. HAZEN: I do not recollect the name, but my deputy minister was here, and I told him to take down the three names which were mentioned by the hon. gentleman, and have the overseers communicated with.

[Mr. McKenzie.]

Mr. TURGEON: Have they been written to?

Mr. HAZEN: I presume they have been.

Mr. TURGEON: If they have been written to I wish to inform the minister that the officer at Petit Rocher has paid no attention to the orders of the minister, as this James Doucett has not only been active, but most offensive, in his conduct towards other Liberal officers along the Intercolonial railway. This man was canvassing for several days on or about the 11th of March and insulting every respectable citizen that he met on the road. I have already said to the minister something to the effect that if he had known this gentleman as I know him, and as I have known him since he was a boy, he would never have appointed him to any responsible position in his department. The man is by nature offensive, and I have not only letters but even telegrams from the most respectable citizens of the parish complaining to me of him on that very day. I have a telegram here dated the 19th March, signed by one of the most respected citizens. It reads as follows:

> James Doucett, head man in running around soliciting witnesses against Stevens and interfering in general and I cannot meet Doucett at any time without being insulted for being a Liberal.

I understand that the minister wrote with the intention of bringing that man to respect at least the authority of the minister of his department, but he has continued day after day to show even greater ambition in his offensiveness. Under the circumstances, and knowing the feelings that have arisen, I would ask the minister to have that man dismissed and replaced by one of his friends. I have no recommendation to make. If I were asked by the minister to recommend any one from among the Conservatives entitled to remuneration by the Conservative party, I would recommend a man who would not have to be complained against. The hon. minister knows that I do not make complaints against any individual in my county without being compelled from a sense of duty to do so. This man, who has been put in this position by reason of the dismissal of another officer, who was dismissed because he was a Liberal, should certainly be dismissed.

Mr. HAZEN: I will look into the matter.

Mr. TURGEON: I hope the minister will look into it seriously. It is a grievous matter. I do not complain of the others. I believe they listened with respect to the

advice of the minister, but Mr. Doucett should never have been appointed.

Mr. HAZEN: I will look seriously into the matter.

Mr. WILLIAM CHISHOLM: The House and the country will be interested to know the policy of the Government with respect to their officials interfering in elections. Two concrete cases have been pointed out, one by the hon. member for North Cape Breton (Mr. McKenzie), who on his responsibility as a member makes a serious charge against this man Fraser, who clearly is a partisan of the worst type. Mr. Fraser left his own county and went to the eastern end of the province of Nova Scotia in order to engage in a by-election. He indulged there in misrepresentations that showed him to be a partisan of the most pronounced type. In view of the charges made by the hon. member for North Cape Breton against this man, and if, on investigation—should the minister deem a further investigation to be necessary—it is proven that the charges are well founded, will the minister dismiss this man or will he continue him in office? Liberals have been dismissed for holding views at variance with the views of the present Government. Liberals have been dismissed because, when asked their views, they have given expression to them in a mild, private and inoffensive manner. That did not save them; they were dismissed. Here are two concrete cases of extreme partisanship, one by the hon. member for North Cape Breton; the other by the hon. member for Gloucester (Mr. Turgeon). What is to be the policy of the minister in this regard? Is there any regulation in the department which should prevent fishery officers from engaging in municipal contests? I have in mind the case of a fishery officer who was recently a candidate in a municipal contest. He ran as a Conservative candidate. The party machine introduced politics into the municipal contest and the election was run on party lines. The candidate to whom I refer was a fishery officer appointed by the present Government. I think that fishery officers should be prevented from taking part in municipal contests because a fishery officer has a power and an influence which, if he is so disposed, he can use in a very unfair way and to the prejudice of fair elections.

Mr. HAZEN: I am informed that there is not and never has been any such regulation in the department. The hon. gentleman is aware that in the city of Ottawa there are gentlemen occupying seats in the city council, one I believe a controller of the city, who are government officials. In the city of Moncton there have been gentlemen occupying positions in the council who, not only for the last three years but for years before, have been officials of the Intercolonial railway. If the hon. gentleman had been here a few nights ago he would have heard me state that I do not approve of officials of the department taking an active part in politics. I feel it is a practice that ought to be discouraged. It was a practice that was very general under the Government which the hon. gentlemen has supported for so many years. I know a great many instances of it. It has existed under both Governments.

10 p.m.

My experience has been that, when a man has a position which is his main source of living, as a rule he abstains from taking part in political contests; but when he occupies a position which is subsidiary to his other calling, for example, when he is a postmaster and has a post office in connection with his store, or when he is a lightkeeper but does other work for his support, I find that as a rule he takes part in political contests in support of the Government that has appointed him. It may not be a very desirable condition of affairs, but it is a condition which has existed for a great many years. I think on both sides of the House we shall be talking a good deal that is not very sincere if we shut our eyes to that state of affairs and say that it did not exist in the past and that it does not exist now.

Mr. WILLIAM CHISHOLM: The House must be gratified indeed to hear such a candid admission from the hon. Minister of Marine and Fisheries when he says there has been a lack of sincerity on the part of hon. gentlemen opposite when they were in Opposition. They, in season and out of season, declaimed against the appointment of men to offices because they belonged to the particular type of politics of the party in power. They also declaimed very strongly against the appointment of these officials because they dared to entertain views of their own in matters of politics, and therefore they dismissed them. Now we have a candid admission on the part of the Minister of Marine and Fisheries that, in laying down this rule that Grit officials should not be allowed to exercise the franchise as they

think proper, should not be allowed to exercise the God-given gifts or the right of entertaining opinions for themselves, they were not sincere. The minister admits that now.

Mr. HAZEN: I admit nothing of the sort. If the hon. gentleman thinks that he can construe into my words an admission that a man cannot think for himself, I do not think any other hon. member will agree with him.

Mr. CHISHOLM: I did not say that, but I say that the hon. gentleman has dismissed men who held office under the late Administration for no greater reason than that they were Liberals, and exercised their rights as freemen in a free country.

Mr. HAZEN: Yes, but there was more against them than that they were Liberals.

Mr. CHISHOLM: I can produce an instance in the county I have the honour to represent—that of Mr. A. R. McAdam, fishery overseer of the county of Antigonish—who was dismissed for no reason except that perhaps he was suspected of Liberal leanings. The charge made against him by the gentleman who controls the patronage in the county was set forth in a letter written to the minister on the 1st of February, 1912, as follows:

While in Ottawa a few days ago I endeavoured to obtain an interview with you with respect to matters in this county, but you were always occupied when I called, and as I could only remain a few days, I was obliged to come away without seeing you. What I wanted particularly was to know what evidence you require for the dismissal of Alexander R. McAdam, of Malignant Cove, fisheries inspector for this county. You will remember that I wrote you some time ago asking that McAdam be dismissed and MacDougall be appointed in his place. This Alexander McAdam has been for the last fifteen years at least an active partisan. He has done everything that any person taking part in behalf of a candidate usually does. During the last year and immediately previous to the election, this man was chairman of the Liberal organization meetings, was active in calling those meetings together from time to time and was present at most of them. His house was a rendezvous of Liberals and a great many of the meetings were held there. I don't think that you could find a more active politician in the whole county than Mr. McAdam. I should like to have him dismissed at once and Mr. Hugh MacDougall appointed in his stead. I am willing to take full responsibility for this dismissal and can give my reasons at any time. I have charge of the patronage of this county and am looking after its interests.

Please give this matter your immediate attention.

Yours truly,

E. Lavin Girroir.

[Mr. W. Chisholm.]

When the minister read this letter, he saw that it went too far, that the charges were too sweeping and the accusations exaggerated. So he very properly wrote to Senator Girroir—he was not a senator then—as follows:

February 8, 1912.

I beg to acknowledge your letter of the 1st inst. requesting that the services of Mr. Alexander R. McAdam, of Malignant Cove, as fishery overseer for the county of Antigonish, be dispensed with, and one Mr. Hugh MacDougall be appointed in his stead, and I note fully what you say in regard thereto.

While you explain that Overseer McAdam has been an offensive partisan, you do not say that you have personal knowledge that he has been such.

If you will give me an assurance that you of your personal knowledge know that Mr. McAdam has been a political partisan since holding the said office of fishery overseer, with reasonable specific details of such partisanship, or that from inquiries made by you of responsible persons for whom you could vouch that he has been guilty of undue interference in politics since he has been appointed to office, with sufficient details to establish his guilt of the charge beyond a reasonable doubt, I shall be prepared to further consider the matter. Meantime I shall await a full report from you in the premises.

The hon. minister then was disposed to be eminently fair. He discounted the statements made in Mr. Girrior's letter and insisted that specific charges should be presented. For that he is to be commended. What happened? Charges were preferred—the usual, stereotyped charges,—not specific. These charges came up for investigation before Commissioner Duchemin. Mr. Duchemin, notwithstanding the express provision of the statute, refused to allow counsel. One witness only was examined, Mr. John Macdonald. The commissioner adjourned the court feeling that there was not sufficient evidence adduced to justify any of the charges against Mr. McAdam. As a matter of fact at that hearing there was not a particle of evidence to justify the statements made by Senator Girroir in his letter. It is true—I wish to be fair—one of the witnesses who was asked to be present did not put in an appearance, and the court was adjourned for the purpose of securing the evidence of that witness. Now, I direct the attention of the minister to the fact that the commissioner himself felt that it was necessary to get further evidence before condemning Mr. McAdam. The adjourned hearing took place some time afterwards, and the witness required was brought before Mr. Duchemin, who examined him in private, according to his own report, but found that the witness had no evidence to give. The only thing the commissioner

could say so far as the evidence it was alleged Mahoney could give, was that the information was unfounded. He so reported, and a copy of his report to the minister I have here. Well, how did they proceed to have Mr. McAdam dismissed? In this way: another letter was written to the minister under date of October 14, 1912. You see, they were all summer scouring the county looking for witnesses to say that Mr. McAdam was a partisan.

And if ever there was a case in which evidence would be easy to obtain it was in that case, for the fishery overseer had gone in the performance of his duty through every section of the county. With the treasury of Canada behind them, evidence could be got to substantiate the charge, if the accused was a partisan. But no such evidence was obtained. So, in this extremity, Mr. Girroir writes this letter:

October 14, 1912.

I wish to draw your attention to some facts in connection with the investigation into the charges against A. R. McAdam. As I anticipated there is the greatest difficulty in obtaining the attendance of witnesses. I subpoenaed several and they did not appear.

I was not aware that Mr. Girroir subpoenaed them or that he had the right to subpoena them.

I asked Mr. Duchemin to ascertain from the Justice Department what action should be taken to compel their appearance, and his reply was to the effect that they could not be compelled to appear.

Just fancy a statement of that kind by a responsible senator, having charge of the patronage of the county. The Inquiries Act is as plain as can be on that subject. Mr. Duchemin, whose attention must have been drawn to the Inquiries Act when he was appointed, must have known that, for it is expressly provided in the Act as follows:

Section 4 gives the commissioner the power of summoning of witnesses, and section 5 adds that the commissioners have the same power to enforce the attendance of witnesses . . . as is vested in any court of record in civil cases.

What the senator referred to in his letter from which I have been reading was the non-appearance of Mr. Mahoney. Mr. Mahoney did not appear; he was not subpoenaed in the regular way. Mr. Duchemin in his report says that he had to adjourn the hearing from Malignant Cove, and said that I stated that Mr. Mahoney was not subpoenaed. So I did. I advised Mr. Mahoney that he did not have to appear until he was subpoenaed and paid his witness fee. Mr. Duchemin was going up and down the country in the early part of his operaions in the county I have the honour to represent calling witnesses before him, but he did not pay witness fees, and some of those fees are still outstanding. It was only when Mr. Mahoney refused to attend without being subpoenaed in the regular way and paid his fees that Mr. Duchemin carried on his proceedings, so far as witnesses were concerned, in a proper and legal manner and concluded that thereafter the witnesses would have to receive these fees or conduct money.

To quote again from the senator's letter:

This only goes to show the inadequacy of the present machinery for trying these cases.

It only goes to show, I think, either that Mr. Girroir did not know what he was writing about or else that he presumed that the minister knew very little about the Act under which his commissioner was carrying on the investigations.

A Grit with the shrewdness of McAdam usually does his work through others, and in order to prove some of the charges against McAdam it was necessary to subpoena Liberals.

Yes, and they had the whole treasury behind them to subpoena witnesses if they wanted them.

Not one of the Liberals subpoenaed appeared against him.

That is something of which I have a personal knowledge. I happened to be at the investigation, although I was not permitted to appear as counsel. That statement I can meet right here and now. The only man who was asked to attend but failed to put in an appearance, so far as I know—and he was not subpœnaed—was Mahoney.

With the result that we were only able to establish what is contained in the evidence of John McDonald. I think that this evidence should be sufficient to cause his dismissal. If an official can be proven to have canvassed even one voter, there can be no disputing his partisanship. He, McAdam, did not care to go on the stand and give us an opportunity of examining him. This, I think, should, especially where we cannot compel witnesses to appear, be a strong circumstance against him. I firmly trust that you will find your way clear to dismiss McAdam at once. It will be a great relief to me, I can assure you, when this is done.

The sympathetic minister could not resist such a pathetic appeal. The law must be disregarded; the proceedings held before Commissioner Duchemin must be ignored, and the minister must step in and do this

act in order that relief should be afforded to the gentleman who wanted to have McAdam dismissed. What was the result? As I have said, the whole summer had passed before the dismissal of Mr. McAdam was effected. Mr. Duchemin adjourned the court from day to day because the evidence that he had obtained in the first instance was not sufficient and he was unable to supplement that evidence. If he considered there was anything in McDonald's evidence he would there and then say: here is a prima facie case against you, which, unless contradicted or explained by you, I shall hold sufficient to justify a report against you. But he turned around at the last moment and said that in view of the fact that McAdam did not go on the stand and disprove—what? disprove nothing, because nothing was proved against him—he ought to be dismissed. Why did he adjourn the case for further evidence if he thought McDonald's evidence sufficient?

Mr. McKENZIE: How did he come to be dismissed?

Mr. CHISHOLM: He was dismissed upon the order of the Minister of Marine and Fisheries.

Mr. McKENZIE: Upon what evidence?

Mr. CHISHOLM: On the evidence of John McDonald alone. In the report which Mr. Duchemin made on October 14, 1912, he said:

> Before the close of the inquiry, I told Mr. D. C. Chisholm, who was acting as counsel for Mr. McAdam, that I would be pleased to receive any statement from Mr. McAdam under oath, in rebuttal of the testimony of Mr. John McDonald, particulars whereof are given above. Mr. Chisholm advised me, however, that Mr. McAdam would not go on the stand, or make any statement under oath.

Then he goes on to state the reasons why the accused should be dismissed. The commissioner found that the evidence obtained when the hearing took place in August was not sufficient to justify the dismissal of McAdam; he adjourned the court two or three times in order to get the evidence of Mahoney, and when he finally did get Mahoney's evidence he had to fall back on the testimony of John McDonald. If McDonald's testimony had been sufficient in the first instance, would Duchemin not have said: I find on this evidence a prima facie case against you, and unless you go on the stand and contradict or explain the evidence given here, I will have to report against you. The fact of his not having called upon McAdam at the first hearing goes to show that Mr. Duchemin himself believed that there was nothing in the evidence of John McDonald to justify the dismissal of McAdam. I am not going to say anything about the appointment of the successor to the dismissed official. Mr. McDougall was a strong and active partisan in that part of the country—a man whose partisanship could be proved. According to Senator Girroir, Mr. McAdam was so careful and apparently unoffensive in his partisanship that you could not catch him; but if a man goes from section to section of the country amongst fishermen at various seasons of the year it is impossible for him to avoid dropping something from time to time which will indicate his partisanship. They had the revenue of the country at their disposal to get witnesses along the shores to give evidence of partisanship against McAdam. They could not get it, for it did not exist. However, Mr. McDougall was appointed—a strong active partisan, who was a Conservative candidate in several elections in Antigonish county. I am bound to say that he is a respectable man; against him I have nothing whatsoever to say, but as a fishery officer I submit in all sincerity that the minister might have made a better selection. An application for the position was made by L. J. McEachern, a man who had been engaged in the fishery business for years, and who, if I mistake not, had charge of a lobster factory in that part of the country. At any rate, he knew the fishery business. He wrote the minister on October 12, 1911, as follows:

> My object in writing is to inform you that I intend to apply for the position of fishery officer for the county of Antigonish. The position has always been held in this section of the county. My first ballot was cast for the late Sir John S. D. Thompson, and I have been fighting the battles ever since. I have been holding this polling district as municipal councillor for nineteen years, and still hold that position. But now that we have won, I will retire when my term is up. All this could not be done without some sacrifice, as I am doing business and my business has to suffer. The above position would help me out in my business, and I could be of more service to my party; and, again, I have been in the fish business for twenty-five years, and should know something about the above office. I trust that I am not making myself too forward in writing this letter to one of the ministers of the Liberal-Conservative Government, and trust and hope that they may long hold the reins of power.

Mr. McEachern is a first-class man; nothing can be said against him, and I should have thought that the minister would have

selected him, in view of the very many qualifications which he has for the position. He has been a strong and active partisan all his life, and deserved consideration at the hands of his party. He knew the sort of appeal to make to the Minister of Fisheries and to the Government. The minister made a very courteous reply to Mr. McEachern's letter, in response to which the latter wrote in November 20, 1911, as follows:

If you can't see your way clear to appoint me as fishery officer as applied for, you might find some job for me in connection with the freezers, as I find after my many year's experience in the fishery business that I should be able to fill any position in the above. I feel that I am entitled to some consideration after my hard fighting for the party the past twenty-five years, and, as I stated before, being in business, I had to make many sacrifices for the sake of the party and feel the weight of it now. Thanking you for your kind and courteous letter, and hoping you may have a pleasant session.

I remain,
Yours truly,
L. J. McEachern.

I hold no brief on behalf of McEachern, but I do say in all sincerity that McEachern would have been an excellent man for the position. I do think the minister was not as kind, as sympathetic and as generous as he generally appears to be towards his political friends. He has on every occasion, so far as I can judge, yielded to the party appeal, and the appeal which was made to him on this occasion was a very strong one. Inasmuch as he had to break away from the rules which he himself established in the first part of the correspondence with Senator Girroir, namely that it was necessary to specify and prove charges of partisanship before dismissal could be made, I submit, with all respect to Mr. McDougall, that when Mr. McAdam was dismissed, the minister should have appointed Mr. McEachern to the position.

Mr. A. W. CHISHOLM: Could the minister give the names of the members of the advisory board ?

Mr. HAZEN: There are four from Nova Scotia—Mr. Hermain from Shelburne, Mr. Smith from Lunenburg, Mr. Short from Pictou, and Mr. King from Halifax. Mr. King was appointed on the recommendation of the fisheries committee of the Halifax Board of Trade. From New Brunswick the members are: Mr. Russell from Passamaquoddy Bay, Mr. Young from Gloucester county, and Mr. Carson from Kent county. There is a gentleman from the Magdalen islands, Mr. Arsenault. There are no members from Ontario, because Ontario administers its own fisheries. There is a gentleman from Charlottetown, Mr. Longwell; one from Alberta, one from Saskatchewan, and two from British Columbia. The British Columbia representatives are Mr. McIntyre and Mr. Cunningham. Thus there are four from Nova Scotia, three from New Brunswick, one from Magdalen islands, none from Ontario, one from Alberta, one from Saskatchewan, and two from British Columbia.

Mr. A. W. CHISHOLM: How many of them are fishermen ?

Mr. HAZEN: They are all fishermen or dealers in fish, or people with knowledge of the fish industry. Mr. Hermain, from Shelburne, is a practical fisherman who makes his living by fishing. Mr. Short, from Pictou, is a fish merchant. Mr. Smith is a gentleman greatly interested in fishing, from Lunenburg. He owns schooners that go off to the banks and he is the representative on this commission of the deep-sea fishing interests, the bank fishermen. Mr. King, from Halifax, is there as the representative of the cured fish industry, which, as my hon. friend knows, centers largely in Halifax. He is the representative of the fish merchants. Originally there were only three members on the board from Nova Scotia, but the fisheries committee of the Halifax Board of Trade recommended that there should be a member of the board representing Halifax, and, that being considered a reasonable request, Mr. King was appointed. Mr. Smith is a representative of the deep-sea fishermen. He has been a practical fisherman, he has fished on the banks himself, he has been the captain of fishing schooners on the banks, and to-day he is engaged in the fishing business, although he does not fish himself. Mr. Young lives at Caraquet, and is familiar with the fishing industry there. Mr. Russell represents the Passamaquoddy Bay district. He is a man who has been a practical fisherman. I believe the gentleman from Prince Edward Island has been a practical fisherman. He has been a fishery officer, and the department have a very high appreciation of his fishery knowledge. The representatives from British Columbia are fishery officers. The members of the House of Commons from British Columbia thought at the start that we had better have two men who had been fishery officers, and that is the reason that Mr. Cunningham, who is a

principal fishery official of the Dominion Government in British Columbia, and Mr. McIntyre, the assistant commissioner of fisheries for British Columbia, were appointed. Of course the fisheries in the prairie provinces are different from those on the east coast or in British Columbia.

Mr. A. W. CHISHOLM: There is only one of these gentlemen really dependent upon fishing.

Mr. HAZEN: One is now engaged in fishing but two are dependent on fishing. Mr. Smith makes his living out of fishing.

Mr. A. W. CHISHOLM: His interest in the calling is different now to what it was when he was a fisherman. He is a fish buyer.

Mr. HAZEN: He is a man who has worked up from the lowest rank. He went off on a fishing vessel originally, he became a captain and he is now an owner and sends vessels off to the banks to fish.

Mr. A. W. CHISHOLM: That is what I mean. Would the minister be kind enough to inform me what are the duties of this board, and are they supposed to remain at their homes or to travel around gathering information, giving instructions, etc.?

Mr. HAZEN: The board is purely advisory. The provisional arrangement is that they meet in Ottawa two or three times a year. The Maritime section, the Pacific section and the Prairie section meet here and discuss fishery matters with the permanent officials. The object of appointing the board was that it was felt that all the knowledge about fisheries was not confined to the department by any means; and it was thought that it would be an advantage if the officials of the department, many of whom are very learned and scientific men, could have the advantage, several times a year, of consulting with men who, while not perhaps having the same scientific knowledge, had a greater practical knowledge of fishing than the officials of the department could be expected to have. It was thought by having an advisory board some good results would be attained. We believe these good results have been attained. We had one meeting in Lunenburg last year and other meetings will be held in other parts. We have in Nova Scotia one gentleman who understands thoroughly the dried and cured fish business, another the bank fishing and another the shore fishing; then Mr. Short, from Digby, understands the general conditions. It is thought that these gentlemen, consulting with the scientific men here, can give advice that will be of great value regarding close seasons, the propagation of fish and the best method of placing fish on the market in such attractive shape as to command the best prices. The result, our officers believe, has been very satisfactory.

Mr. A. W. CHISHOLM: I desire to enter my protest against the personnel of that commission. There is just one man on it whom I would call a fisherman in the sense that I understand the word, a man who devotes his entire time to fishing, a toiler of the deep.

That is the man that I regard as a fisherman. We have one of that kind, I understand, on the commission, but instead of one at least one-half of the commission should be fishermen. The next protest I wish to make is against appointing all the men from the western part of the province of Nova Scotia. There is no reason why we should stop at the boundary line between Halifax and Guysborough and go no further east. The counties of Guysborough, Pictou, Antigonish, Inverness and the two counties of Cape Breton are without a representative on the board. If there was a particle of sincerity in the organization of this board, surely it would seem that that section of country should be represented, because if my hon. friend looks at the statistics he will see that a great deal of fish is caught in that eastern part of the province. I spoke to the hon. minister, and wrote to him, suggesting a particular friend of his own in the county of Inverness as a fit man for this board. I regarded him as well qualified for the position. He was a fisherman from away back, and made his living at it. I knew that a man of a different political stripe to the minister might not meet with his approval, but this man was a good man, and if he had been appointed he would have been able to give proper attention to the wishes of the fishermen of the eastern counties. I will not take up any more time further than to place myself on record as disapproving of two features of this commission: first of all, the personnel, inasmuch as there is only one fisherman on the board, for I do not regard a man who devotes his time to outfitting vessels as a fisherman; and secondly, the counties of eastern Nova Scotia are left without a representative on the board. I trust the minister will see that these defects are remedied. It can be easily done. He has friends of his own

in all these counties and can easily get men to act on the board. I may point out that last year $5,562.68 was spent on this commission. A commission of that magnitude, so far as expenditure is concerned, should produce some good results.

Mr. LOGGIE: Might I ask the minister if the members of this commission meet in Ottawa all together, or individually.

Mr. HAZEN: The members of the Maritime provinces' section meet here together, but not the board for the whole of Canada.

Mr. LOGGIE: I am not going to take any issue with what the minister has said except in this regard: he said that Mr. Young had been engaged in the fishing industry all his life; that is perfectly true, but when he came to the other member from New Brunswick he led the House to believe that he had as wide an experience of fishing as Mr. Young. I do not wish to be understood as saying one word against the gentleman who has been appointed. He is a very estimable gentleman, but I am quite sure he cannot be put in the same class, so far as experience in the fishing industry is concerned, with Mr. Young. So far as I am aware he has never had any interest in the fishing business, either as a shipper, buyer or fisherman. I suppose I should congratulate my hon. friend from Kent, N.B. (Mr. Robidoux) because his county is represented on the board, as well as having a very important member on the Shellfish Commission. Kent county is recognized, I suppose, because of its good work in 1911, while counties that perhaps have larger fishing industries have been altogether overlooked. I thought it was only fair to draw the minister's attention to the fact that his remarks on the gentleman from Kent county, besides Mr. Young, were hardly accurate. I happen to know both gentlemen very well, and I esteem them highly all the same.

Mr. ROBIDOUX: I wish to inform the hon. member for Northumberland, N.B. (Mr. Loggie), that while Mr. Carson is not a fisherman and has not been directly interested in the fish business, nevertheless he is thoroughly acquainted with it. The county of Kent is one of the best fishing counties in the Maritime provinces, and the hon. member for Northumberland is well aware of that, because he does a large business in that part of the country. When I urged the appointment of Mr. Carson to that commission, I did it in the interests of the fishermen. My hon. friend will not deny that Mr. Carson is a public-spirited citizen who is prepared to stand by the interests of the fishermen. That is why I recommended his appointment. It may be that his appointment is not to the liking of the hon. member for Northumberland, but I was not particularly concerned about that when I made the recommendation. It would be a pretty difficult matter to suit the hon. gentleman. In order to do that we should have to give him practically a monopoly of all the fishing. He had his innings when the late Government was in power. If we were to appoint an advisory board to suit him, we should have to appoint men who are prepared to issue salmon licenses to the hon. member for Northumberland only. We all know that previous to 1911 it was impossible for an ordinary fisherman in the county of Kent, with whom the hon. member for Inverness has so much sympathy, to secure a salmon license. From the northern boundary line of Kent county down to Richibucto about 20 salmon licenses were issued, and the company of which the hon. member for Northumberland is president held 17 of the 20. As a matter of fact he did not fish more than three or four sets, and held the others just to prevent other people from fishing. If the fishermen of Kent county had been given the selection of a man for that advisory board, I am sure they would have selected Mr. Carson.

Mr. A. W. CHISHOLM: Does my hon. friend from Northumberland still enjoy the same privilege as to taking out licenses?

Mr. ROBIDOUX: Yes, he has those licenses to-day. I will tell my hon. friend this. Any fisherman to-day who applies for a license to fish salmon gets it.

Mr. A. K. MACLEAN: I am inclined to doubt very much the value of this Fisheries Advisory Board. I hardly think the department will get much benefit from the services of a board who are called together practically only once a year.

The members constituting the board as a rule are busy men engaged in other duties and the amount of time devoted to fishery matters is after all very intermittent indeed. A resolution was passed by the Halifax Board of Trade within the past year, I think, and that was a repetition of similar resolutions passed before, urging the ap-

pointment of a departmental officer for each province. I assume they intended that such an officer would be located in a central place in each province and he would have direct control of the departmental affairs in that province. He would always be the real executor of the policy or regulations of the department and would see that they were carried out? He would also be in a position to accumulate, after years of experience, a great deal of information which might be utilized by the department. I suppose there is some good in the Fisheries Board. I suppose it would hardly be possible for a dozen men to meet together here once a year and not afford the department some information.

Mr. HAZEN: They meet twice a year and in future it is intended that they shall meet oftener.

Mr. A. K. McLEAN: I suppose it would be rather an extreme statement to say that this board could afford no intelligence to the department, but I do not think its assistance is very substantial. I believe that the suggestion emanating from the Halifax Board of Trade, namely, the appointment of a departmental head in each province, is a more businesslike suggestion, and one which would be more in the interest of the fisheries in each province and of greater advantage to the department than any other proposition which has been placed before the minister on this subject. I do not think that the Department of Marine and Fisheries was ever properly organized for the effective and scientific regulation and administration of the fisheries. I am not finding any particular fault with the present head of the department. What I say would be applicable to any person who has hitherto been at the head of the department, I do not know whether the department is undermanned or not, I think possibly it is in the way of scientific men, or men who are or will specialize, but I do not think the department is well organized or that it ever was. I believe that the suggestion of the appointment of a departmental head in each province is a good suggestion and one worthy of consideration. I would like to hear if the minister has given consideration to the suggestion which has come from the Halifax Board of Trade.

Mr. HAZEN: That suggestion, of course, has been made on several occasions. We have now in every province inspectors for the different districts and the general opinion of the head officials of the department is that there is very little to be gained by appointing another official in each province which would be, as it were, simply adding to our inspectors. It is felt that it is quite as easy for these inspectors to report at Ottawa as it would be, in New Brunswick, for instance, for them to report in St. John, or, in Nova Scotia, for them to report in Halifax. But up to the present time it has not been thought desirable to adopt that suggestion which has been made from time to time for the last ten years.

Mr. LOGGIE: I think that some hon. members have misunderstood the situation as put before the committee by the hon. member for Kent (Mr. Robidoux). The licenses that he referred to were held thirty years ago and about twenty years ago the corporation of which I am president and manager was organized and these salmon licenses were taken over by that company. The corporation that I represent received no favours from the Liberal Government any more than they have from the present Conservative Government. They held these licenses many years ago and still hold them, and they are endeavouring to make an honest dollar out of these fisheries. I realize, as much as any man in this House, the importance of taking care of the fisheries and not allowing them to be overburdened. I think that especially applies to the lobster fishery.

Mr. A. K. MACLEAN: What are the goods like that this company put up?

Mr. LOGGIE: Write to Fraser, Viger and Company, of Montreal, and they will tell you the kind of goods that certain people put up. The licenses that my hon. friend referred to are practically licenses that the company have held for thirty years or thereabouts. Some of the territory that the company are fishing in front of cost them a large sum of money. I fancy that there are some shore rights given with these licenses, although the department as a rule refuse to recognize shore rights. But after all they give a preference to the owners of the land in fishing in front of their own land. That is the recognized rule along the shore. I do not think it is always carried out, and I do not say that it is always necessary to carry it out, as long as the parties holding the licenses have a landing privilege. But if they do not have a landing privilege the owner of the land can prevent them from landing. It is important to have some shore rights. All I got on my feet for was to explain to the committee that the corporation I repre-

sent received no favours from the Liberal Government that they would not be perfectly justified in asking of the Conservative Government. I think that the minister knows enough of my career to say that I could come to Ottawa and ask justice from any Government. While I have always been a Liberal in federal politics I was not a very active partisan until I took hold of my hon. friend himself and worked shoulder to shoulder with him. But when it came to the federal question, even although we were working together, we had to agree to differ and we did differ.

Mr. TURGEON: While I admire the devotion of my hon. friend from Kent (Mr. Robidoux) to his fishermen, he will admit that I have some fishermen also in Gloucester county who are dear to my heart. I speak not so much of the shore fishermen, the lobster and salmon fishermen, who are more numerous in my county than in any other county in New Brunswick, but I wish to speak more particularly this evening of the deep sea fishermen whose pursuit is very arduous and who last year were treated in a way that has not been heard of since Confederation in the county of Gloucester or along the north shore of New Brunswick. The deep sea fisherman has to pass with his schooner once or twice through the harbour of Shippigan, and he has been charged harbour dues by the new harbour master there. Whether the conduct of the harbour-master has been according to the rules of the department, I will not say positively, but I wish to remind the minister that it is quite an innovation in the county of Gloucester; that the schooners have never been charged harbour dues or wharf dues since Confederation, and I do not believe they have been charged harbour dues or wharf dues anywhere on the north shore of New Brunswick. In the county of Gloucester the matter is more important, because 200 schooners leave the ports of Caraquet and Shippigan, every Monday morning, going to the Prince Edward Island banks and taking every summer nearly a million dollars' worth of fish from the bottom of the sea. I would ask the minister to rectify this matter, if possible, and not to impose any taxation on these fishermen. We exempt them from wharfage dues, and I do not see why they should be charged harbour dues.

Mr. HAZEN: What harbour?

Mr. TURGEON: Shippigan. As the hon. minister knows, all the schooners from Caraquet, Lameque, Miscou and Shippigan island go out to sea by this harbour.

Mr. HAZEN: Does my hon. friend say that fishing vessels are charged harbour dues?

Mr. TURGEON: Yes. They were charged last summer, I am informed.

Mr. HAZEN: What have they been charged harbour dues for?

Mr. TURGEON: As fishermen.

Mr. HAZEN: My understanding was that no harbour dues were charged against the fishermen. There must be some misunderstanding.

Mr. TURGEON: There must be some mistake in the instruction given to the harbour-master.

Mr. HAZEN: I wish the hon. gentleman would write me a letter stating the facts.

Mr. TURGEON: I will.

Mr. HAZEN: Then I will investigate the matter.

Mr. SINCLAIR: I think the difficulty about the Advisory Board is that the minister has made it political. I am sorry that the minister did not carry out the promise made to the House last year, when authority was given to appoint that board, that he would select the members of the board himself; that he would endeavour to represent all the various interests in regard to the fish industry and that he would select good men. These answers were given in the House on the 27th of November, 1913. The minister stated most positively that he would make the selection himself, that the selection would not be political.

Mr. HAZEN: Yes, I did.

Mr. SINCLAIR: We are told by the hon. member for Kent, N.B. (Mr. Robidoux), that he recommended one of the members of the board.

Mr. HAZEN: Certainly.

Mr. SINCLAIR: And I have no doubt the same is true in regard to the other members of the board, that they were recommended as suitable by some of the friends of the minister.

Mr. HAZEN: Hundreds of people were recommended.

Mr. SINCLAIR: I am sorry that the minister should have taken that method of making up the board. It would be quite possible for the minister and the officers of the department, who know the men along the coast really capable of doing this kind of work, to make a good selection that would be of great service to the country. On the coasts of Scotland, England and Ireland, the fishery boards are doing splendid work, just the kind of work our fishermen require. They are collecting information of value to the fishermen. For example, they can tell the places where the fish spawn. In connection with the trawling agitation on the coast of Nova Scotia, many of the fishermen think that the gulf of St. Lawrence is the spawning ground for cod and haddock. Some dispute that. There is no certainty in regard to the matter. It is merely a theory that the people have. That is a matter upon which definite information might be found, and we might possibly exclude trawlers from the spawning grounds when we know where they are. The advisory board could do some important scientific work in order to get such information which would be of very great service to the fishermen. At the time the board was authorized, I asked the minister if the fishermen's unions would be represented on the board and he assured me that that matter would be considered. I have not heard that anything has been done in that regard. The fishermen's unions are not political institutions; they are composed of men of both shades of politics. I suppose in that way they would not be in a position to make political recommendations. I regret that the minister has not carried out the pledge he made to the House and to the country, at the time this board was organized, that he would himself undertake the matter of selecting the personnel of the board. That is where the great mistake lies.

11 p.m.

I would like to get a little more definite answer from the minister in regard to this officer, Mr. Fraser. The statement of my hon. friend from North Cape Breton (Mr. McKenzie) discloses a very bad state of affairs. He stated that Fraser left his home; that he went 300 miles to the county of Victoria; that he made the statement to the people that he was authorized by the Department of Militia and Defence to deal with the question of Fenian Raid bounties in order to be in a position to canvass voters; that he deceived people in that respect; that he was not authorized at all; that he did not represent the Militia Department. It appears to me that this man, if he acted in that way in the county of Victoria, is a disreputable scoundrel, and should not be kept in the service of the department. The minister has not given any assurance to the House that he will deal with that matter. My hon. friend from North Cape Breton has made a statement very positively, and I feel that the least that the minister should do is to assure the committee that he will take the matter up and investigate it, and that, if this man is guilty of the charge made against him, he will be dismissed.

Mr. McKENZIE: Before the minister makes any reply to the observations of the hon. member of Guysborough (Mr. Sinclair) with respect to the case of this man Fraser, I wish to refresh his memory as to the law of Parliament and of his department as laid down by the present Prime Minister on this very point. This subject was under discussion in this House on the 6th day of December, 1911, as appears on page 889 of 'Hansard'. These are the words of the Prime Minister:

> So far as the inside service is concerned, the statutory provision to which I desire to call attention is to be found in the Act of 1908 introduced and passed by the late Administration. Section 43 of that statute is as follows:
>
> 'No officer, clerk or employee in the Civil Service shall be debarred from voting at any Dominion or provincial election if under the laws governing the said election he has the right to vote; but no such officer, clerk or employee shall engage in partisan work in connection with said election.'
>
> The words of that section do not seem to restrict it to the inside service. My impression of the interpretation of the Act is that the language is restricted to the inside service. However, that is a matter to which we can very easily determine upon an examination of the earlier part of the statute. Sufficient it is to say for the present that it does lay down a definite and specific rule so far as the inside service is concerned.
>
> Now, so far as the outside service is concerned, the rule was embodied in a resolution of the House of Commons moved by Mr. Lake on the 17th of July, 1905, and accepted by my right hon. friend (Sir Wilfrid Laurier) who was then leading the Government, and that rule is in these words:
>
> 'That whilst it is desirable that every official in the employ of the Government of Canada, should enjoy perfect freedom of political opinion, and the untrammelled exercise of his franchise in accord therewith, no official should be engaged or permitted to engage, in partisan work of any description in the election of a representative to the provincial or Dominion Legislature.'

So there appeared to be no latitude for any minister if that law is to be observed. The Prime Minister pointed out that, so far as the inside service is concerned, the statute settled the case, and so far as the outside service is concerned, the late resolution settled it, that resolution being:

No person who is in the pay of the Government shall take any part whatever in partisan work in a Dominion or provincial election.

Any minister who has regard to that as the law has strong reason to make it clear to officials that they cannot be permitted to take part in elections. I wish to point out that not only was Mr. Fraser busily engaged in bribing the electors, but an overseer by the name of William Phelan, who resides in the county of Victoria, was engaged in the same business. He was hand in hand and shoulder to shoulder with this man Fraser in this business, going from house to house offering bribes and bribing the electors to vote for McLeod, who was the candidate of the party. It is only fair that these officials should know that the present Prime Minister of Canada, in a speech in this House on the 6th of December, 1911, laid down the law on this subject, as I have given it. Any man taking office under this Government, particularly since the Prime Minister's statement was made, is forbidden to take any part in a campaign as has been done by these gentlemen.

Mr. LAW: Has the minister the list of fishery inspectors of Nova Scotia?

Mr. HAZEN: Yes. A. G. McLeod, Whitney Pier, salary, $1,300; Robert Hockin, Pictou, $1,300; Mr. Ward Fisher, Shelburne, $1,300.

Mr. LAW: The minister raised Mr. Ward Fisher $100 last year.

Mr. HAZEN: Each of these officers was raised $100.

Mr. LAW: He turned out a fishery overseer for no other reason than that he was a Liberal, I presume, and getting along in years, who was in receipt of $700 a year, and appointed Mr. Fisher to the position at $1,200 a year and has raised him $100 this year. Is that the way the minister looks after the money of the people that is entrusted to him? I would like to know if he thinks that Mr. Fisher is doing any better than the late inspector of fisheries did. I doubt very much that he is. I think he was given the salary simply because he was a friend of the Administration, and that is not in the interest of the country.

Mr. HAZEN: As to Mr. Robertson being an efficient officer, he was most inefficient. The hon. gentleman will recognize the authority on which I make that statement when I say that the records of the department show that Mr. Robertson was suspended by the Government which preceded the present Government, and he was regarded in the department as a most inefficient officer. On the contrary, the present officer is most efficient and is regarded as one who is discharging his duties admirably. And I think that a fishery inspector who faithfully discharges his duty is not overpaid when he receives $1,300 a year.

Mr. LAW: I do not agree with the minister as to Mr. Robertson. But Mr. Robertson was not inspector of fisheries, as I understand. In any case, the man I referred to was Captain Hatfield.

Mr. HAZEN: He was not inspector, but fishery overseer. The hon. gentleman will understand that there are the fishery inspectors and under these the fishery overseers, and under these the fishery guardians.

Mr. KYTE: In Committee of Supply a few weeks ago I asked for an explanation concerning an expenditure of $33.90 made on account of J. A. Gillies to William Forgeson.

Mr. HAZEN: The explanation is as follows:

On reference to the original account and to the departmental copy of that included in the return sent to the House of Commons, it is found that the account is made out as follows:

Department of Marine and Fisheries, Ottawa.

(Per J. Gillies, K.C., Sydney.)

To William Forgeson, Port Royal, C.B.

It may be explained that the account originated in the following manner: On the 26th April, 1912, the deputy minister wrote to Mr. J. A. Gillies, explaining that a captain, engineer and cook would be required for the patrol-boat Davies and requesting him to furnish the names of suitable persons for the positions in question. Mr. Gillies, on the 4th May, nominated Mr. William Forgeson as engineer on the Davies, and on the same date Mr. Forgeson was instructed to report to Inspector of Fisheries Hockin at Pictou where the boat was located. Mr. Forgeson reported to the inspector: but on his arrival he explained that he was not a steam-engineer, and that his experience was limited to gasoline engines. It was therefore not feasible to employ him on the Davies and he had to return to his home at Port Royal.

Mr. KYTE: Will the hon. minister bring down the correspondence between the deputy minister and Mr. Gillies?

Mr. HAZEN: I shall be glad to lay it on the table.

Mr. A. W. CHISHOLM: I want to point out what I consider to be the ridiculous conduct of the Shellfish Commission when it went around the province of Nova Scotia last year. They visited Orangedale in the county of Inverness, where there are practically no fish except oysters, and they left unvisited the whole of the rest of the county of Inverness, embracing a district 100 miles in length, where there are fifteen or twenty lobster factories. I do not know what instructions the commission received from the department, but it seems to me that if they had any regard to the proper performance of their duties, they should have visited the district to which I have referred. It would appear as if they did not want to trouble themselves; as if they did not want to get too far away from the Intercolonial railway. They reported to the department that they had examined a gentleman at Orangedale, and they left the whole of the county of Inverness unvisited. The Department of Marine and Fisheries seems to have something—I do not know what to call it—against the county of Inverness.

Mr. McKENZIE: The right hon. Prime Minister has laid down a specific statement of law, namely, that no man who is an officer of this Government can take part in a local or a Dominion election. What position does the Minister of Marine and Fisheries take with regard to that law? Does it mean anything? If it does, then the two gentlemen who have transgressed that law ought to be dealt with. If the minister contends that the law does not apply to them, then we must arrive at some other interpretation of what the Prime Minister said when he laid down that clear and explicit rule, quoting a section of the statute in respect of the inside service and a resolution passed by the House in respect of the outside service. The gentlemen of whom I speak are in the outside service, and the terms of the late resolution should apply to them. Does the minister say that the late resolution does apply to them, and if it does, what course does he intend to take in the matter?

Mr. DAVIDSON: I would very much like to hear the minister give his opinion on this point, because I think it affects very materially some of the close political friends of the hon. gentleman who has just taken his seat. I had the pleasure of following in the trail of my illustrious friend in a recent election campaign and of observing at short range the methods adopted by certain individuals in that county. I found that in the district of which I speak no less than twelve officials appointed by the late Administration were actively making use of every method known to the human mind to defeat the Conservative candidate in that election. I did not intend to say anything about this matter, but since the hon. member has brought it up I think that we should have the opinion of the minister with regard to the actions of those persons on whom my hon. friend called, and with whom he had consultations during that campaign. If they have contravened this resolution, they should be made to walk the plank. My hon. friend has made some very sweeping and damaging assertions against Mr. Fraser; I presume he has very good authority for them, because I am sure that my hon. friend would not be so reckless as to make sweeping assertions unless he had something on which to base them. As a matter of fact, hon. gentlemen will remember that my hon. friend descended from the dizzy heights of a county court judgeship to enter politics and to run for the constituency of North Cape Breton, and he must have or should have acquired a judicial spirit. I trust that the ex parte statement of his enthusiastic and hot-headed friends in the locality was not the only ground for making the very serious assertions which he has made to-night. The hon. gentleman has asked the minister for his views on this question; would he be good enough to tell the committee whether he thinks that a postmaster should actively engage in politics?

Mr. McKENZIE: There is no necessity for the expressing of views; we have the law laid down by the Prime Minister.

Mr. DAVIDSON: Then I would like to ask my hon. friend why it was that when he was in the North Shore district, he consulted, schemed with and planned with Mr. McLeod, postmaster at that place, and regarded him as his principal worker? My hon. friend knew—although perhaps Mr. McLeod did not know—about the resolution; does he not think that it was very unfair for him to induce that poor man to do such a thing?

Mr. McKENZIE: My hon. friend knows that Mr. McLeod has been kicking that post-office into the teeth of hon. gentlemen oppo-

site ever since they came into power. So far as Mr. McLeod is concerned, hon. gentlemen opposite can take the office, if they wish; he does not care a thing about it.

Mr. DAVIDSON. My hon. friend admits, then, that my allusion to what Mr. McLeod has done is substantially correct. Whether or not the office is something to be sought for does not alter the case one bit, nor does it justify Mr. McLeod's conduct in violating that regulation. If Mr. McLeod loses the post office—and I shall make it my business to see that the Postmaster General is advised of these facts—he will know whom to blame for losing it. Knowing of the resolution which was passed by this House, my hon. friend openly encouraged Mr. McLeod to break it—and this is the gentleman who has occupied the dizzy heights of a county court judgeship. Is this not a serious matter, Mr. Chairman?

Mr. McKENZIE: I thought that the hon. member for Annapolis would have the good grace and discretion to keep out of this discussion. The hon. gentleman brought this creature Fraser with him to North Shore. I did not want to drag the hon. gentleman's name into the discussion; as a member of this House, I wanted to respect his feelings. But he brought it up himself; you could not keep him out of anything that was dirty.

Mr. CHAIRMAN: I do not think that such a statement is permissible, and I think the hon. gentleman ought to take it back.

Mr. McKENZIE: Take that back? Well, he may say that his conduct was clean and that he simply broke into an explanation.

Mr. DAVIDSON: It really does not make much difference what the hon. gentleman said.

Mr. McKENZIE: I never knew that it was a matter of disrepute or disrespect for anybody in this country to have occupied the position of judge. I did not think so. I rather thought that men who occupied the position of judges and did credit to that position to the best of their ability had nothing to be ashamed of because they had occupied that position. I had the greatest regard for that office. I still revere and respect any person who holds and occupies one of those high positions as long as he does credit to the office. I do not for a moment claim that I brought any particular adornation to the office, but I laid it down just as unsullied as I found it. The position was occupied by a very distinguished gentleman in district No. 7 of the province of Nova Scotia, a man who was at one time a member of this House, the Hon. Mr. Justice Dodd, a descendant of a long line of judges, an educated gentleman and a great lawyer. He did great honour to the position of county court judge. I succeeded him in that office. My hon. friend will search the Tory press of Nova Scotia in vain to find any adverse comment into my appointment to the Bench in succession to Mr. Justice Dodd. The appointment was accepted by both Grits and Tories as being a fairly good appointment. I did not forget that, because I was pleased that my opponents in the press, although they were always after me when I was in politics, recognized the fact that it was not a bad appointment. When the time came that I laid down that office, I handed it to a distinguished gentleman, Judge Finlayson. I have heard no aspersions cast upon the office because I held it or because of anything I did while I was there. It is repeatedly referred to by hon. gentlemen opposite that I am an ex-judge, as if I should sit down and blush because the Government of this country thought proper to appoint me to that position. What happened so far as the hon. member for Annapolis is concerned? He appeared at a public meeting at French River, in the district of North Shore, and made a speech there. He invited all and sundry who had made claims to the Fenian raid bounty to go to him, that he would stir things—

Mr. DAVIDSON: The hon. gentleman is stating what is absolutely not a fact.

Mr. McKENZIE: I am stating what took place at the meeting.

Mr. DAVIDSON: I ask the hon. gentleman to withdraw absolutely what he has said. There is not a vestige—

Mr. McKENZIE: We are not talking about what took place in this House.

The CHAIRMAN: I have already ruled that it is only when it is a question of speeches made by a member that one is bound to take the word of that member. As to questions of fact, I never understood that anybody had to believe what another man said.

Mr. McKENZIE: I can supply the affidavits of fifty people who were present in the school house where my hon. friend was making his speech at French River in February.

Mr. DAVIDSON: I really must insist that the hon. gentleman obey the rules in this regard. I say emphatically that I never said that or anything like it, and I call upon the hon. gentleman to withdraw.

Mr. McKENZIE: Withdraw what?

Mr. DAVIDSON: The remark about calling upon applicants for the Fenian raid bounty to call upon me or to consult me about it. It is absolutely a creation; there is not the first vestige of foundation for it.

Mr. McKENZIE: The hon. gentleman said to those people: I have here with me an official agent—

Mr. DAVIDSON: I ask the hon. gentleman to withdraw that. He is stating what is absolutely—

Mr. McKENZIE: I am obliged to make my statement.

The CHAIRMAN: When I first made my ruling I understood the hon. member had been stating questions of fact. Now he is citing some words which he attributes to the other hon. member. His remarks have now come under the ruling that as to words supposed to be pronounced by one member that one member is the only person who knows. That is why we are asked to accept his denial.

Mr. McKENZIE: I think that rule has reference to statements made in the House.

The CHAIRMAN: No, the hon. member is not right.

Mr. McKENZIE: I must insist upon the rule being produced. I do not know the rule.

The CHAIRMAN: The only way that the hon. gentleman can dispute my ruling is to appeal.

Mr. McKENZIE: I have sufficient experience with rulings in this House with a good strong Tory majority not to waste time; I shall not appeal. The difference that is between myself and the hon. member for Annapolis is that he says I am not putting it in the exact language he used.

Mr. DAVIDSON: I ask the hon. gentleman to withdraw absolutely the statement in reference to remarks made by me.

[The Chairman.]

Mr. McKENZIE: Will the hon. member state to the House what he did say?

Mr. DAVIDSON: If I proceeded to state everything I said on that occasion I would take up some time and would make what I regard as a very effective campaign speech; and I would say certain things in reference to the campaign work of my hon. friend which perhaps would not be complimentary to him. But so far as this matter is concerned, so far as referring to Fenians or anything of the kind is concerned. I made no remarks whatever at that meeting. The only reference I made to the matter at all was in reply to my hon. friend's personal friend the postmaster of that locality, who interrupted me to ask some question about the Fenian raid bounty, which I tried to answer to the best of my ability. But, as a matter of fact, to say that I said anything of the kind mentioned is absolutely untrue and I imagine that what the hon. gentleman has stated relative to Mr. Fraser is just about as correct as what he has said concerning me.

Mr. McKENZIE: I have already made the statement that Mr. Fraser represented himself as an officer of the Militia Department. I dare Mr. Fraser or the hon. member for Annapolis to deny it. He was put forth as the exhibit by the hon. member for Annapolis. This is the man that was given to me—

Mr. DAVIDSON: That is not true.

Mr. McKENZIE:—this is the man given to me by the department; he will come to you and pay the money.

Mr. DAVIDSON: I am very much surprised that my hon. friend should be unfair enough to make statements of that kind. I tell this House in the most absolute way that the hon. gentleman would find out himself if he investigated that there is not a particle of truth in what he says, that it is absolutely false from beginning to end. He has not the first vestige of authority; it is the purest creation, and I ask him to withdraw it.

Mr. McKENZIE: My hon. friend cannot deny the circumstance that he went to North Shore with this man Fraser. What did he take him there for?

Mr. DAVIDSON: As a matter of fact, I did not go to North Shore with that man Fraser. I ask the hon. gentleman to withdraw.

Mr. McKENZIE: I will certainly not withdraw one word. I say that the hon. member can take any position he likes, and I say that because it is true, absolutely and conclusively true. That is the position I take in respect to it, because there are fifty or one hundred people who heard him make the speech, and they can be brought before any committee of investigation.

Mr. DAVIDSON: The hon. gentleman is lying, absolutely.

Some hon. MEMBERS: Take it back.

Mr. McKENZIE: I certainly will not ask him to take it back. I would not—

The CHAIRMAN: Order.

Mr. McKENZIE: I certainly will not ask him to take it back, because it is absolutely satisfactory to the Chair.

The CHAIRMAN: The debate has gone so far from the item under discussion that I feel like calling every hon. member to order and calling the item. I am sure that words have been uttered that should never be uttered in this House. Every member knows that to say that a statement of another hon. member is not true is not parliamentary, and that such words should not be uttered in this House. When a member is called to order by the Chair, I do not care personally, but I think he should accept the ruling of the Chair.

Mr. McKENZIE: All the wrong-doings are of course on this side of the House, but a gentleman sitting to the right of the Chair can call another hon. member a liar and it is accepted as perfectly fair. I do not ask that it should be taken back. I have some rights in this House, and the hon. member for Annapolis is not going to wipe me off the face of the earth. Far from it. I am not reflecting on the Chair, but I have a right to point out the fact that if a very slight transgression of a rule is made by me, I am called to order, and asked to bring myself into compliance with certain rules. The hon. member for Annapolis calls me, a member of this House, a liar because I state a fact, and he is not asked by the Chair to take it back. How can a chairman of that calibre expect to maintain order or respect in this House?

The CHAIRMAN: I have already said that the word used by the hon. member for Annapolis is not permissible, and I have also asked him to withdraw it, as I have also asked the hon. member for North Cape Breton to withdraw his statement. I cannot do more than that.

Mr. McKENZIE: I submit that there cannot be a possibility of order being maintained in this House when it is lopsided. I make that statement boldly and squarely to the Chair and to every man in this House. There must be fairness and integrity in the application of the rules if they are to be observed in this House.

The CHAIRMAN: I do not think that I can do anything more for the satisfaction of the hon. gentleman. He can, of course, appeal from my judgment. I must state that I cannot manage any hon. gentleman in this House. If my rulings are not complied with, I can do nothing more.

Mr. DAVIDSON: I beg leave to withdraw the remark which I made a moment ago.

Mr. FOWLER: I rise to a point of order. The hon. member for North Cape Breton (Mr. McKenzie) has made a statement regarding alleged statements made by the hon. member for Annapolis, which the hon. member for Annapolis has absolutely denied. The hon. member for Annapolis in the course of an argument between himself and the member for North Cape Breton made use of an expression which was unparliamentary, and has withdrawn that expression. But the hon. member for North Cape Breton has not withdrawn the statement he made with regard to the hon. member for Annapolis, and which the hon. member for Annapolis has denied in the most positive manner. I think that before we proceed any farther with the business of this House the hon. member for Cape Breton should be called upon to withdraw the statement he made with regard to the hon. member for Annapolis.

The CHAIRMAN: The committee knows that I have called on the hon. member to withdraw the words he used.

Mr. FOWLER: If a man who has been called upon to withdraw refuses to do so, can nothing be done? Under certain circumstances the Sergeant-at-Arms of this House has a duty to perform, and I think it would be an opportune time now to allow him to earn his pay.

Mr. McKENZIE: I would not encourage the hon. member for Kings and Albert to join the Sergeant-at-Arms.

Mr. FOWLER: If it were a duty devolving upon the member for Kings and Albert,

he would not need the help of the Sergeant-at-Arms. He is a much better man than the hon. member for North Cape Breton.

Mr. McKENZIE: The hon. member is reckoning without his host.

Mr. EDWARDS: I rise to a point of order. I have always understood that when an hon. member accused of using certain words has positively denied using those words, the rules specifically state that the hon. member making the accusation shall be compelled to accept the word of the hon. member accused. I ask you, Mr. Chairman, if, under the circumstances, the hon. member for North Cape Breton is not obliged to accept the word of the hon. member for Annapolis?

The CHAIRMAN: I have already stated that the rule is plain. The word of any hon. member of this House must be taken as to any statement he is alleged to have made. I have called upon the hon. member for North Cape Breton to accept the statement of the hon. member for Annapolis. I can do nothing now but await the decision of the committee.

Mr. McKENZIE: I certainly would be the last man in this House to defy the rulings of any authority in this House. The personnel in the present Chair is absolutely satisfactory to me. I do not look to the personnel. Respect is due to the office of Speaker of this House and to the office of Chairman; but for those offices to be honoured and respected, they must themselves maintain honour and respect. I hope that will always be done in this House. There is a rule of this House which is pretty hard sometimes for a man of conscientious and strong beliefs to observe. I have conscientious and strong beliefs and positive knowledge about certain things that took place. If certain rules of honour are to be observed on one side of this House they must be observed on the other. A conscientious knowledge cannot be removed by parliamentary conventionalities. If parliamentary conventionalities call upon me to bury my knowledge and the facts that are branded deeply upon my mind, I suppose it is necessary to comply with parliamentary conventionalities. Rather than that it should be said that I would bring any discredit or disrespect upon the honour of the Chair or of the House, I would be willing to comply with any parliamentary conventionality if it is necessary to maintain the rule.

[Mr. Fowler.]

Mr. EDWARDS: I ask if parliamentary conventionality does not require the hon. gentleman to accept the statement made by the hon. member for Annapolis. In that case the hon. gentleman should signify compliance with the rule.

Mr. McKENZIE: I have gone as far as I will go, and I think I have gone far enough.

The CHAIRMAN: I understand the hon. member intends to say that he complies with the ruling of the Chair when he is asked to take back what he said, and I suppose the hon. member for Annapolis will take it for granted that that was the meaning of the remarks of the hon. member for North Cape Breton.

Mr. CARVELL: Now, Mr. Chairman—

Mr. FOWLER: Just a moment.

Mr. CARVELL: I claim that I have the floor.

Mr. FOWLER: Will you allow me?

Mr. CARVELL: I have the floor.

Mr. EDWARDS: No, you have not.

Mr. CARVELL: I want the Chairman to say whether I have or not.

The CHAIRMAN: I have not decided that the hon. member for Carleton has the floor.

Mr. CARVELL: I am going to decide that I have the floor until I am called to order.

The CHAIRMAN: The hon. gentleman (Mr. Fowler) is speaking to a point of order.

Mr. CARVELL: Then I object, Mr. Chairman. The Chairman has decided that my hon. friend from North Cape Breton had complied with the requirements of the rule.

Mr. CHAIRMAN: I asked if it was satisfactory to the hon. member for Annapolis and I thought he was getting up to answer me.

Mr. DAVIDSON: Mr. Chairman—

Mr. CARVELL: What is your ruling, Mr. Chairman, as to the remark of the hon. member for North Cape Breton?

The CHAIRMAN: I asked the hon. member for North Cape Breton if he would take back the expression that he had used, and I asked the hon. member for Annapolis

if he was satisfied with the statement of the hon. member for North Cape Breton. Then some other hon. member got up and made some observations.

Mr. CARVELL: I think you are shifting a little, Mr. Chairman.

The CHAIRMAN: I am trying my best to close the question.

Mr. CARVELL: I know you are, but I understood you to say that the hon. member for North Cape Breton had complied with parliamentary conventionality. If the Chairman now says that he has not, and that he did not say that—

The CHAIRMAN: No, I did not say that.

Mr. DAVIDSON: Mr. Chairman, you were good enough to ask if the explanation was satisfactory to me. I regret that I cannot regard it as satisfactory. I understood the hon. member for North Cape Breton to express some qualified and hypothetical compliance with the rules of the House. What the hon. gentleman should do is to accept the statement, not in general terms but particularly. He should accept my statement and withdraw the remarks which he made denying the truthfulness of my former utterances.

The CHAIRMAN: The hon. member (Mr. McKenzie) must understand that the rule says that if an hon. member is called to order, and if he is asked to take back some statement that he has made, he is simply to take it back without comment. Everybody will understand that I had some good reason in asking the question if the statement made by the hon. member for North Cape Breton was acceptable to the hon. member for Annapolis. Certainly the hon. member did not comply with the rule that says that an hon. member should be called to order for any language such as that which he used and which is objected to.

Mr. McKENZIE: What does the Chairman mean? I said that whatever the conventionality of Parliament required, so as to respect the rulings of the Chair and maintain the dignity of this House, I was prepared to comply with and did comply with. If that is not understood, it is not my fault.

The CHAIRMAN: Twice I arose, the first time to call the hon. gentleman to order for the use of an objectionable expression, and afterwards for the statement attributing a falsehood to the hon. member for Annapolis. The hon. member for Annapolis, having denied that he had made the statement attributed to him, I asked the hon. member for North Cape Breton to accept the denial. If he says that what he has just stated means that he takes back the word 'dirty' and that he accepts the statement of the hon. member for Annapolis, he has complied with the ruling of the Chair.

Mr. McKENZIE: I certainly say in the parliamentary sense the hon. member for Annapolis is not 'dirty'.

Mr. HAZEN: It seems to me that my hon. friend from North Sydney has simply made the matter worse by the remarks that he has just made. No one could have heard that remark without feeling that it was the intention of the hon. member for North Cape Breton to insult the hon. member for Annapolis. The hon. member for North Cape Breton is an old parliamentarian and knows that time after time leaders in this House have got up and said that they withdrew statements that were made and that he is bound to accept the statement made by the hon. member for Annapolis here to-night that the statement attributed to him was not true. I am sure that the hon. member for North Cape Breton will come to the conclusion that, in view of the fact that the hon. member for Annapolis has withdrawn the statement unequivocally that he made in regard to him, he should withdraw his statement in regard to the hon. member for Annapolis. I think if that were done it would be far better from the standpoint of the dignity of this House and from the standpoint of the hon. member's standing as a parliamentarian who has been a member of the House for many years. I would ask my hon. friend to respect the rule of the Chair and in good faith to withdraw the statement which he has made.

Mr. McKENZIE: The greatest trouble I find is that I have been misunderstood from the beginning and that a construction has been put upon my words which they will not bear. If the hon. member for Annapolis does not understand what I said, if he twists it into something worse than it was and if he then asks me to take back that which I never said it explains how this trouble arose. When I brought this question to the attention of the House about this man, Fraser, although at the beginning I had the same reason for mentioning

the name of the hon. member for Annapolis as I had at the last, I took pains to keep clear of mentioning his name at all because I respected him as a member of this House and I did not want to bring his name into it. When the whole thing was about over he broke in himself evidently to defend the unclean work of this man, Fraser. I did not say that he was unclean; I said that the hon. member could not see a dirty thing without breaking into it.

Mr. HAZEN: That is unparliamentary.

Mr. McKENZIE: It may be but it is not a personal reference to the hon. member. It may be that I should not have said that, that I should have used some language that would have sounded a little better. But, when I brought the conduct of this man, Fraser, who went into that county, lied and represented himself as something that he was not, to the attention of the House, and when an hon. member wanted to break into it and to defend this man I did not think it was conduct that was very commendable. Possibly some language could be used in putting it forward better than the language that I used, but the idea is the same. If the words I used are objectionable, I certainly would regret to have used them, bcause I want to be parliamentary in this House and to speak with dignity and respect—

Mr. HAZEN: Then why not withdraw that language ?

Mr. McKENZIE:—and with as much respect to the hon. gentleman who leads the House as with respect to any other hon. member, because I realize that there is a great dignity in this House and that we can never keep it too high. I hope it shall never be said I ever did anything to lower the dignity of this House; and if the expression I have used has a tendency to lessen the dignity of the hon. member in any respect, I should certainly wish to have it regarded as having never been used.

Mr. HAZEN: Withdraw it.

Mr. McKENZIE: Is not that good enough?

Some hon. MEMBERS: No.

Mr. McKENZIE: Does the hon. minister think he is going to shove me into a humiliating position ? Is that what he is at ?

Mr. HAZEN: I am doing the very reverse. I have no desire to shove my hon. friend into a humiliating position. I think his position will be much less humiliating if, in compliance with the ruling of the Chair, he withdraws that expression, than if he adheres to his position and refuses to withdraw it. It is the very reverse of humilitating to bow to the ruling of the Chair and to withdraw expressions. It has been done by the leaders of this House and by the most prominent members, time and time again.

Mr. McKENZIE: If my hon. friend will look at 'Hansard' to-morrow morning, he will find that the expression was taken back at the very moment it was made.

Mr. HAZEN: Will the hon. member say that he took it back ?

Mr. McKENZIE: I changed it and said—

Some hon. MEMBERS: Oh, oh.

Mr. McKENZIE: Hon. members may laugh. Exception was taken to the word 'dirty.' At once I said I will take that back, and will say that the hon. member broke into a thing that was not clean.

Mr. HAZEN: No.

Mr. McKENZIE: That is what I said at the time and it was forgotten and I thought there was nothing further about it.

Mr. HAZEN: What occurred was, the hon. gentleman made some assertions with respect to a speech which the hon. member from Annapolis (Mr. Davidson) was alleged to have made somewhere in the
12 m. county of Victoria. The hon. member from Annapolis denied having made those statements. It was then the duty of my hon. friend to say that he was bound to accept the statements made by the hon. member for Annapolis from his place in this House. My hon. friend would not do that. The hon. member for Annapolis, getting a little incensed, made use of a most improper expression and almost immediately afterwards withdrew it. My hon. friend is bound to accept the statement made by the hon. member for Annapolis in answer to the statement as to the remarks alleged to have been made by him at a meeting held at Victoria.

Mr. McKENZIE: I have already stated to the Chair that any conventionalities required to maintain the dignity of Parliament, I have complied with. That is as far as I shall go or can be expected to go.

Mr. DAVIDSON: I understand my hon. friend to say that he accepts my statement.

Mr. McKENZIE: What I have written I have written.

Mr. DAVIDSON: I do not think I am unreasonable in insisting that the gentleman do that in language we can all understand.

The CHAIRMAN: Am I to understand that the hon. gentleman accepts the statement of the hon. member for Annapolis when he says that he has not used such words?

Mr. McKENZIE: I am sorry that it is so extremely difficult for me to make myself understood. I understand the rule of the House to require that, if a certain hon. member makes a statement to another and that other hon. member denies it, that denial must be accepted. It has been said a thousand times by hon. members on both sides during my years of occupancy of a seat in this House. I accept the statement in a parliamentary sense. That has never been questioned. Whatever is necessary to be done in a parliamentary sense to satisfy the dignity of the hon. member for Annapolis has already been done by me in a parliamentary sense. Why should not the same language be accepted from me as has been over and over again accepted by the Speaker and by the Chair that compliance in a parliamentary sense with the conventionalities of debate in this House should be satisfied? I have endeavoured to satisfy them and that should be the end of it.

Mr. DAVIDSON: That is absolutely satisfactory.

Mr. CARVELL: I want to refer to the dismissal of Lloyd Charles Dakin, former lighthouse keeper at Grand Harbour in the province of New Brunswick. On the 17th of July, 1912, Mr. Dakin received a letter from Mr. Hallett, acting deputy minister as follows:

Sir,—I have to inform you that by Order in Council of the 17th March, 1912, your services as keeper of the light and hand fog-horn at Grand Harbour, N.B., have been dispensed with, owing to offensive political partisanship, and Mr. Fred. J. Martin has been directed to take temporary charge of the light, to whom you will give up possession of all Government property under your care when required.

I am, sir,
Your obedient servant,
J. Hallett.

That was followed up by a letter of the 23rd of July from Mr. Flood who was acting as the agent of the department. Shortly after that a telegram was sent to Mr. Hartt, the member for the constituency as follows:

T. Mr. Hartt, M.P.,
Member for Charlotte county.

We as citizens of Grand Harbour do, to our knowledge, know that Lloyd Dakin has never taken any part, aside from casting his personal vote, in any provincial election.

(Sgd) D. H. Daggett.
Isaac Newton.
Owen Green.
Wesley Newton.
C. A. Newton.

And three other names were added by telephone, Edward Russell, Chester Russell and Arnold Russell. All of these purport to be strong Conservatives. The next thing was a letter of the 31st of July from Mr. Flood expressing surprise that Mr. Dakin had refused to give up the position and a letter of the 7th of August acknowledging that Mr. Dakin had complied with the requirement of the department and given up the position. But Mr. Dakin did not seem satisfied to accept the decision of the department, feeling that he had not done any wrong. So, he wrote the following letter:

Grand Harbour, August 17, 1912.

Deputy Minister of Marine and Fisheries.

Dear Sir—Yours of the 7th received informing me that my case would be investigated. Would you please let me know when the investigation will take place.

Mr. Hartt, the member for the county, is now at home.

The charge is false, and I can easily prove it, and the whole thing is the work of two or three persons.

Respectfully yours,
Lloyd C. Dakin.

On the 11th of September there is the acknowledgment of the Deputy Minister, stating that in the great rush of departmental work it is impossible to give it immediate consideration, but that later on consideration will be given. On the 24th of September he received an official letter signed by C. Stanton, assistant Deputy Minister, which is as follows:

Referring to your letter of the 17th ultimo, in reply to departmental letter of the 7th August, 1912, respecting your request for an investigation in the case of your dismissal from the position of the light and hand fog horn at Grand Harbour, New Brunswick, I have to state that in the departmental letter referred to you were merely informed that your request for an investigation would receive the consideration of the department.

The charge for which your services were dispensed with was the statement in writing of Mr. T. A. Hartt, M.P., that you attended one of his meetings and tried to annoy him; that you remained after the meeting closed and endeavoured to impress your views in his presence on the people before they left the hall.

I am, sir,
Yours obedient servant,
C. Stanton,
Assistant Deputy Minister.

Mr. Lloyd C. Dakin,
Grand Harbour, New Brunswick.

On this Mr. Dakin answers as follows:

27th September.

Deputy Minister of Marine and Fisheries,
Ottawa.

Dear Sir,—Replying to your letter of September 24, in regard to the charge for which my services were dispensed with as keeper of Grand Harbour light, that I had tried to annoy Mr. T. A. Hartt, M.P., at his meetings and at the close tried to impress my views in his presence on the people before they left the hall—I would like to say that since receiving my dismissal I have talked with Mr. Hartt personally, and he acknowledged to me that he had made a mistake—that I was not the man—and he had been wrongly impressed and also promised to do what he could to rectify it.

While in the service, I did not attend any political meetings, and more than that never took part in politics in my life, and upon my dismissal sent Mr. Hartt a statement to that effect, signed by prominent Conservatives, among whom was Mr. Issac Newton, whom Mr. Hazen, Minister of Marine and Fisheries, knows to be one of the oldest and most respected Conservatives of Grand Manan.

Trusting that you will make further investigation.

I remain,
Yours respectfully,
Lloyd C. Dakin.

Does the Minister of Marine and Fisheries recollect the man?

Mr. HAZEN: Yes, I know Mr. Newton very well.

Mr. CARVELL: On the 1st of October there is an official acknowledgment to that letter. On the 20th of October there is another letter written by Mr. Dakin to the department which simply refers to some conversation he had with Mr. Hartt. I have next a letter from Mr. Hartt himself. I am glad the hon. gentleman is here; I did not wish to make any reference to this matter until he was in his place:

St. Andrews, N.B., October 16, 1912.

Lloyd C. Dakin,
Grand Harbour, Grand Manan.

Dear Sir,—I have written the department at Ottawa telling my mistake and clearing you of the charge.

I will have to let the appointment go as it is for the present. I tried to explain my position to you when I saw you here, and I hope you will understand me and that we may be friends. We cannot see into the future. I may be able to do something for you some time.

Yours truly,
T. A. Hartt.

I should say that was a very diplomatic letter. It holds out the olive branch, it expresses the belief that there will be other positions at their disposal—altogether I do not know that I find very much fault with it. The hon. gentleman was in a rather unpleasant position, and he tried to let the man down as easily as he could. However, that did not suit this official, and on the 19th of October he again addressed the deputy minister:

I have just received a letter from Mr. T. A. Hartt, M.P., saying he had written the department at Ottawa, telling his mistake, and clearing me of the charge, but he has not seemed to make an effort towards getting back my former position, which was taken from me on account of this false accusation. Now being cleared, would you please let me know definitely whether I am to be reinstated or not.

Yours respectfully,
Lloyd C. Dakin.

There is a letter of Mr. Hartt, but as it is practically along the same lines it is not necessary to read it, unless the hon. gentleman himself thinks it should be read.

Mr. HARTT: I think there has been quite enough.

Mr. CARVELL: I have only two or three more. There was an official acknowledgment of Mr. Dakins' letter:

I beg to acknowledge receipt of yours of the 19th inst. with further reference to your removal from the position of keeper of the Grand Harbour light. The department will, at the very earliest opportunity, give every possible consideration to the representations that you have made from time to time, and as soon as a definite decision has been reached you will be advised.

On the 16th of November, Mr. Dakin addressed himself again to the deputy minister as follows:

Would you please let me know the decision of the department in regard to whether I am to be reinstated or not at Grand Harbour light? I cannot understand why I am not reinstated, since I have been cleared of the charge, for Mr. T. A. Hartt, M.P., wrote me he had written the department clearing me. I would like, if possible, to have an answer before the last of next week, as I am very unsettled for winter.

Yours respectfully,
Lloyd C. Dakin.

In reply to this he received the following:

Dear Sir,—Replying to your letter of the 16th ultimo, I am to observe that I have but little to add to my letter to you of the 29th of October. It is represented to the department that there was sufficient warrant for your removal from office, and consequently the proposal to reinstate you is not being entertained.

Yours very truly,
A. Johnston,
Deputy Minister.

The man naturally feels very much aggrieved at the treatment he has received, and in order to put the matter in as fair a manner as possible, he has furnished me

with an affidavit. I will not read it all, because he practically recites the burden of the correspondence I have read. This affidavit was sworn to on the 26th of March—last week—and it is in part as follows:

> That the charges made against me were false; that I have never taken a part in politics in my life other than to cast my vote; that I was not present at any political meeting addressed by Mr. Hartt, M.P., or by any other person; that I have never attended a political meeting of any kind either in connection with Dominion or provincial politics since the date of my appointment as keeper of said light and hand foghorn and up to the time of my dismissal from said position, except once.

That is the whole case so far as I know. I do not know this gentleman personally at all. But I bring the facts before the committee. I have read nothing but official documents and letters which Mr. Dakin swears are true copies of those he sent to the department. It would seem from these that there is no doubt the man was dismissed from office under misapprehension on the part of the hon. member for the county (Mr. Hartt).

I have read the letter of the hon. member for Charlotte in which he says that he is mistaken, expresses regret for what has happened and holds out the olive branch of the possibility that he may at some time in the future be able to rectify the wrong that has been done. But what the discharged official cannot understand is why the minister, when it was found that this man was not guilty of the offence with which he was originally charged, said sometime afterwards: it is true that you are innocent of that charge, but there are other charges against you. I have a right to request the minister to tell the committee what were the other charges upon which he felt that he was justified in dismissing this man—because the man was dismissed on some charge other than that made by the member for the county. I feel that this case is an exemplification of the fact that hon. gentlemen opposite are carrying to the extreme the doctrine of 'to the victors belong the spoils.'

Mr. HAZEN: My recollection of the matter is that this man was dismissed at the request and upon the responsibility of the member for the county. During the last two sessions it has been stated time and again in this House by the right hon. gentleman who was formerly Prime Minister that when a member supporting the Government takes the responsibility of asking for the dismissal of an official it is quite right and proper that the department should dismiss him. The right hon. gentleman laid down a different rule to apply to cases where the man was dismissed upon the recommendation of some person who was not a member of this House. I do not remember the other facts in connection with the matter, and as it comes under the Marine Department and we are discussing to-night the fisheries branch, I have not before me the information which my hon. friend asks for. I shall be glad to show my hon. friend all the papers in regard to the matter.

Mr. HARTT: The facts in connection with this matter are quite fresh in my memory. When a person makes a mistake I suppose the best thing for him to do is to acknowledge it as soon as possible. I was interrupted at a meeting at Grand Harbour, and I was quite sure, from what was said by persons who were present, that the man who interrupted me was the lighthouse keeper. I had some correspondence with the young man, and he came up to see me—a very decent young fellow, too. He told me that he had never taken part in an election and that he had not interrupted me at the meeting. When I saw him I knew that he was right, and that he was not the man. Finding that I had made an error, I said that I would try to rectify it, and that I would look into the matter carefully. He assured me at the time that he was quite in sympathy with me politically; in fact, I was led to believe that he was a good Conservative, and I was probably the more easily led to this belief because I found that he was a particular friend of my son-in-law, who came with him to see me and to say a word on his behalf. They had been friends for years; I thought it was quite possible that the young man might be entirely in sympathy with me, and that I had made a big mistake. But it is always well to look around before you acknowledge that you are entirely in the wrong. I looked into the matter and endeavoured to find out whether or not he had been an active political partisan, and it was some little time before I got on the right track. Finally, I found out on good authority that he bet money against me in the election—and of course he lost his money. When a man bets money against a candidate at an election, it is a

pretty sure indication of political partisanship. Having recommended his dismissal, and having named another man for his position, I had gone so far that I found myself in a difficult position. I could not turn around and reinstate him on the spot, but, in any case, in view of the facts that I had ascertained, I said: Here is proof positive that this man took active part in an election; he could not do more than bet money against one of the candidates. Accordingly, I recommended to the department that his dismissal be sustained, and that the man who had been appointed should continue to occupy his position. The matter has stood that way ever since, and I think it will stand that way. Of course, I did feel at the time somewhat sorry that the young man had been ill-used, but when I came to look into the matter, when I found that his professions were not exactly up to the mark; that he had taken part in elections and was not as friendly towards me as he professed to be, I came to the conclusion that no harm had been done in disimissing him. With regard to the papers which have been read, no mention was made in them of the circumstance which I have mentioned with regard to the betting. I am somewhat surprised that the gentleman has brought the matter up at all, because when I wrote him and explained that I had obtained this evidence of his having taken part in the election, the correspondence stopped at once, and I heard nothing more about the matter until these papers were handed to me and I was asked to look them over.

Mr. CARVELL: The statement which has been made by the hon. member for Charlotte goes to show the extent to which the present Government are determined to go in order to get a man's political scalp on every possible occasion. We have heard a confession the like of which is very seldom made in this House. I respect the hon. member for Charlotte for the frank confession which he has made, but it only proves that this man had to go, and, once he was out, no matter whether or not there was evidence against him, he had to stay out.

One thing that must strike every member is the manner in which my friends opposite break every law of the political decalogue when it is necessary to get a man's position, if they want it. The minister says that it is the well recognized rule that the departments take the word of a member of this House but do not take the word of a man who is not a member. I have spoken to the Minister of Customs about one official in my constituency, but that is the only occasion that I have interfered in any way in reference to retaining or dismissing any official; but they have been fired right and left, fired on investigations in which evidence was not forthcoming, but they have been fired just the same; and fired without investigation simply on the letter of the gentleman who opposed me in the campaign. Our friends may as well admit that when they want a man's position they take it, and not try to get behind a rule which is more honoured in the breach than in the observance.

Mr. SINCLAIR: The minister has not yet answered the inquiry of the hon. member for North Cape Breton. If Fraser is an employee of the department and did what he is charged with doing, what position is the minister going to take in regard to it?

Mr. HAZEN: I shall look into the matter and see what action I think the circumstances of the case would justify.

Mr. SINCLAIR: That is very indefinite. The minister should investigate this clear and definite charge against this man of doing a disreputable thing. The practice has been when a charge of disreputable conduct has been made against any official, that the minister of the department concerned would at once frankly say that he would have the matter investigated and do what was right.

Mr. LAW: What are the regulations of the department in regard to building fishways and dams?

Mr. HAZEN: The hon. gentleman was not in the House when we discussed the Bill consolidating the Fisheries Act. I explained then that we are making certain changes, so that in cases where fishways are placed in old dams the department pay one-half the cost. If the department orders a fishway put in a dam and it is done at the expense of the owner, the plans being approved by the department, and it turns out that the fishway is not effective and another style is ordered, under the present law the owner has to pay the whole expense; we have changed that so that the department pays the cost of the new fishway ordered.

Mr. LAW: In case a fishway is washed out after the owner has paid one-half its

cost, does the department pay one-half the cost of replacing?

Mr. HAZEN: Where the fishway is being constructed at the same time as the dam is built, the extra cost is trifling, and that, of course, would apply in the case where a dam was completely washed away. It would, of course, depend on the circumstances of the case. I think a case occurred in the hon. gentleman's county last year where we paid one-half the cost.

Mr. LAW: The new Act will not change that?

Mr. HAZEN: The changes make it better in the interest of the owners of the property.

Canadian Fisheries Museum, $16,000.

Mr. LAW: I had the pleasure of visiting this exhibit last week, and I think it is a credit to the department and to the gentlemen instrumental in having it established. It is a great improvement on the old exhibit.

Fisheries patrol service, $160,000.

Mr. LAW: I wish to refer to the steamer Niobe's visit to Yarmouth.

Mr. HAZEN: That has really nothing to do with this. It should be taken up when the Naval Estimates are before the House which will be in the course of a few days.

Mr. KYTE: Do these boats include those employed in connection with the lobster hatcheries.

Mr. HAZEN: The boats my hon. friend refers to are, as a rule, small boats rented from private individuals. Perhaps I had better explain the difference between the fisheries protection boats and the fisheries patrol boats. The fisheries protection boats are used for the purpose of protecting Canadian waters from people who have no business to come in there to fish—such boats as the Canada and the Curlew, for instance. They are supposed to keep our waters within the three-mile limit for our own fishermen. Those boats are under the control of the Naval Service Department. The fisheries patrol boats are the boats that my hon. friend refers to and the small boats that enforce the regulations within the three-mile limit.

Mr. KYTE: I have in mind the small steamer Davis employed around the county of Richmond collecting lobster seed from the different hatcheries to be deposited at the hatchery at Arichat.

Mr. HAZEN: She is one of the patrol boats. She was used for that purpose before the patrol season opened. The Curlew belongs to the Fisheries Protection Service.

Mr. SINCLAIR: There is a large increase in this item.

Mr. HAZEN: The increase is accounted for in this way: Seven new patrol boats have been placed in commission in British Columbia, the cost of maintaining which is estimated to be $25,000. A more expensive boat is to be commissioned for the enforcement of the regulations among the islands and along the coast of Charlotte county, N.B. The cost of maintenance of that boat will probably be $1,000 more than the previous boat. Then in order to prevent illegal lobster fishing off the coast of New Brunswick it will be necessary to build some boats. That makes up the extra money.

Mr. SINCLAIR: What is the size of these boats?

Mr. HAZEN: They are small gasoline boats.

Fishery patrol boats for the Atlantic coast, $40,000.

Mr. McKENZIE: What provision is made for protecting the coast from the encroachment of American fishermen?

Mr. HAZEN: That is done by the fisheries protection fleet which is under the control of the Naval Department. The boats in the fisheries protection fleet are such boats as the Canadian—that is the best one—and the Curlew, the Constance, and boats of that character. There are a number of them in British Columbia.

Mr. McKENZIE: In the spring of the year when the cod and haddock fishing is on, we look for protection all along the coast of New Brunswick, especially in the northern part of the province. In the season of mackerel fishing it is exceedingly difficult to keep American vessels outside the limit. A trip by one of our Government steamers once in two weeks is absolutely inadequate. American poachers should realize that protection is close at hand and that they cannot poach with impunity.

Mr. HAZEN: We are not particularly well supplied with suitable boats, but we are fairly well supplied. Last year when the American fleet started out we kept one of our boats along with them all the time to watch the American fishermen. If they came within the three-mile limit they

would either be driven out or arrested. Very few complaints reached the department last year in regard to poaching within the limits. The Canada is the best of our boats on the Atlantic coast, but hardly one of them can be trusted in a heavy gale. There are times when those boats ought to go out to sea, but it is not safe for them to do so. The conditions on the British Columbia coast were far worse, but this year we have had two new boats built, with the money voted two years ago for use there. We will not be put to the expense of chartering boats as we were before and we will have a very much better service there. It may be necessary next session to ask Parliament for an appropriation for getting some better boats on the Atlantic.

Mr. SINCLAIR: How are these boats built?

Mr. HAZEN: By tender and contract.

Mr. SINCLAIR: I would like to ask the minister if the tenders will be the same as the tenders that my hon. friend referred to in a former discussion. He assured the House on a former occasion that tenders were asked for in the case of Fred. S. Heans of St. John for some work that was done for his department. I was told by the minister that tenders were asked for and that the contract was let in the usual way. When I put the question on the Order Paper I found that tenders were not asked for from the public by advertising in the newspapers but that a number of letters were sent to some of the friends of my hon. friend inviting them to put in tenders and that in that way the selection was made. I put the five cases of Fred. S. Heans, St. John; Burns and Kellehar, Halifax; Union Foundry Works, St. John; Geo. T. Davie and Son, Levis and the Canadian Import Company on the Order Paper and in every case I got the same answer from the minister that there had been no tender in the newspapers but that the usual practice of the department was observed of asking these people to tender. We all know what that means—that the minister only asks his political friends to tender. I trust that in the case of this boat everybody will be given an opportunity and that tenders will be asked for in public. There does not seem to be any advertising in these cases. I was very much surprised, upon taking these five cases, to get the same answer from the minister that there had been no advertisements published calling upon the public to put in tenders.

Mr. HAZEN: The cost would be a great deal higher if we were to do in every case as my hon. friend suggests. I told my hon. friend that everything is done on the boats themselves and so it is. The people who do this work are known in the community, notices are sent to them from the agencies, they put in their tenders and in some cases a tender is not half as much as the highest tender put in, showing the nature of the competition that takes place. In the case of boats of this sort, where the work can be done at one place as well as another, at Quebec as well as at Halifax or St. John, advertisements are put in the public newspapers, but in cases where the work has to be done at a certain place, such as repairs to a ship, it is a waste of time and of money to advertise in the newspapers for tenders. We always get competition. For these boats, tenders will be asked by advertisement in the public press all over the country. That was done at the time the last boats were purchased and the lowest tenderer was a firm at Dartmouth, F. E. Williams & Company, to whom the contract was awarded.

To provide for an exhibit of fresh and cured food fish at the Toronto annual exhibition, $15,000.

Mr. SINCLAIR: Did the minister carry out the idea that we talked of last year at the Toronto exhibition about having a restaurant?

Mr. HAZEN: We tried to do it but we could not get room in the exhibition buildings. The directors could not give us a place to have the kitchen and restaurant. But the exhibition, in spite of that, was a very great success. The directors awarded us a gold medal and the newspapers spoke in very high terms of the exhibit. This year we are asking for $15,000, an extra $5,000, and we are going to try and carry out the idea of having a restaurant even if we have to have it outside of the main building.

Mr. LAW: Where does the department purchase the fish for the Toronto exhibition?

Mr. HAZEN: From all parts of Canada, British Columbia, the Atlantic and the lakes.

Salaries, building and maintenance of fish-breeding establishments, $400,000.

Mr. SINCLAIR: May I suggest that this item be held and the rest may all pass?

Mr. LAW: Has application been made by the Guides Association in Yarmouth for the establishment of a fish hatchery at that place?

Mr. HAZEN: The superintendent of fisheries tells me that he had some recollection of a request received a month or two ago asking that a fish hatchery be established at Yarmouth. The matter is in the department. We have had a number of applications from all parts of Canada for these hatcheries, a great many more than our vote will enable us to establish. We have been proceeding in the last few years, however, and no doubt in the future further ones will be established.

Mr. LAW: I gather from the remarks of the minister that there is not very much chance of the Guides Association getting a hatchery.

Mr. HAZEN: You should never get discouraged about these things.

Mr. LAW: Has the minister considered the establishment of a lobster pond at Lower West Pubnico? An official of the department has made three visits down there and I understand he has reported in favour of the proposition.

Mr. HAZEN: We have come to the conclusion not to establish any more ponds anywhere until more thorough experiments have been carried on with the ponds that we have at the present time.

Mr. LAW: There is a natural pond at Lower West Pubnico and an official of the department has reported favourably upon it on three different occasions. That property can be bought for $1,000; yet, the hon. gentleman went to Long Beach, St. Mary's, Digby, and established a lobster pond that was a failure.

Mr. HAZEN: It has not proved a failure. We have just finished it.

Mr. LAW: And for which he paid a good Conservative the sum of $10,000. I have no fault to find with that. That property, I am informed on the best authority, has been assessed in the county of Digby for $300 or $350, for the last ten years before the purchase by the department. Since the purchase of this property by the Department of Marine and Fisheries, they have spent the sum of $10,400, making a total cost of this pond of $20,400. I do not know whether this will be all the expenditure or not. In answer to a question which I put on the Order Paper, the hon. minister said that 169 lobsters had been placed in this wonderful $20,400 pond, which figures up that each lobster would cost $118. These lobsters have been distributed at various points in St. Mary's bay. Whalecove got four of these lobsters; East Ferry, three; Church point, two; Meteghan, three; Mink Cove, six; Tommie's Beach, four; White's Cove, seven; Little river, three. These $118 lobsters, with, I presume, a red ribbon around each of their necks, are stalking around crowing over the cheap lobsters that have cost nothing. I think this is a fraud and a swindle on the country. While I am prepared to support anything of advantage to the fishermen, I claim that the purchase of this pond for $10,000 was unjustifiable. Professor Prince himself, in a report made on November 10, 1911, says that this pond is wholly unfitted for the purpose of rearing young fish, such as cod or haddock. Mr. Harris, the owner of the pond, wished the department to take it from him for lobster breeding. For years he tried to sell this pond to the previous Government, but they were never taken in for any such price as the present minister has paid for it. Professor Prince says further:

> It is not suitable for that purpose. Several small springs or streams of fresh water find their way into it, from the lofty grounds and cliffs adjacent to the pond. It is very much exposed to the sun and I found lobsters retained in it were dying. I found in it many small predaceous shore fish, which destroy small lobster fry.

I will not deal with the other items; but in reference to the price, I would say that the minister asked one of his officials, Mr. W. H. Brunel, as to the value of the pond. Mr. Brunel gave his opinion that the value of this pond was $5,000. I consider that even $5,000 is ten times what the pond is worth. In spite of all these things, the Minister of Marine and Fisheries advised the purchase of this pond from a good Conservative friend, and placed the sum at $10,000. They have placed in the pond 169 lobsters which have been distributed at various points on St. Mary's bay. I do not know whether the Minister of Marine and Fisheries will pay a large bounty to fishermen who happen to catch any of these lobsters with a red ribbon around its neck. The lobster pond at Lower West Pubnico would have done good service to the fishermen of Yarmouth as well as of Shelburne.

That property could have been purchased for $1,000; and with an expenditure of one or two thousand dollars more, it could have been fitted up and been a great accommodation to the fishermen in that whole section of the county of Yarmouth. Instead of the minister wasting the money of the people of this country in paying $20,400 for property assessed for $350, he should have looked into the matter a little more closely and purchased the pond in Yarmouth county at Lower West Pubnico. The lobster fishermen on the coast of Yarmouth as well as on the northern part of the coast of Shelburne are entitled to a proper lobster pond especially when it can be purchased at so much lower a price than has been paid to this friend of the present Administration.

Mr. HAZEN: Perhaps there is not time enough to-night to discuss this matter fully. My hon. friend has referred, however, to a few of the papers on the file I laid before the House. The hon. gentleman quotes from a report of Professor Prince with regard to this pond and its suitability for lobsters, in which he states, that because of certain fresh water catch he does not think it suitable for that purpose. If my hon. friend had looked a little longer, he would have found a second memorandum of Professor Prince saying that the water had been diverted from the pond and, that being the case, it was well suited for the
1 a.m. purpose of a lobster pond. My hon. friend, if he had wanted to be fair, would have stated that to the House. He did not do so. Either he had not read the whole file through or else he had no desire to state the facts fairly to this committee.

In regard to the price, my hon. friend will find in the return the statement from Mr. Brunel to the effect that we could not have duplicated that pond and the work that was there for the sum of $10,000, the amount we paid for it. It will also appear from the record of the proceedings, which, I think, are on the file, that while Mr. Brunel on one page spoke of $5,000, he did it at the time that we were dickering for the property and he thought, by making that statement, it would be possible for us to buy the property at a cheaper price. But he stated that that pond and the work there could not be duplicated for $10,000. That is the statement of a responsible officer of my department.

Mr. LAW: It cost $20,400.

[Mr. Law.]

Mr. HAZEN: Certainly. There has been work done on the pond afterwards. The pond is worth every dollar of the money that has been spent on it. The money has been economically spent under the direction of the engineers of the department in whom I have confidence and who have spent the money to good advantage.

My hon. friend has made merry about the number of lobsters. The pond was not ready for the lobsters last year. A great many more lobsters will be put in the pond during this and coming years. The pond has been purchased for the purpose of experimenting with lobsters in order to see whether something cannot be done towards replenishing the lobster fisheries along the coast of Nova Scotia.

There is not a single transaction in connection with it that we are not prepared to justify or that we do not believe have been in the public interest. Nothing has been done by me except after careful investigation and report by the permanent officers of the department, who were there long before I became minister. Having confidence in their reports and in the integrity of these officers, I believe that everything has been done honestly and properly, and that the result will be to develop the lobster fishery along the shores of Nova Scotia to the great advantage of the people.

Mr. KYTE: I would ask the minister if he thinks this statement of Mr. Brunel's conduct in this matter is calculated to elevate him in the estimation of the public as a conscientious officer. Will he admit that Mr. Brunel was right if he made his report merely with the idea of beating down the owner of this property? I do not know if the minister quite appreciates the statement he made; but it appears to me that if the officers of his department go out to estimate the value of property it should be to give an honest opinion of the value and to direct the minister as to the course he should take. But if these officers base their estimate of value of property to be purchased on the ground which the minister indicates, then I think these reports are very much less valuable than they ought to be. I trust that Mr. Brunel did not estimate the value of the property at $5,000 solely for the purpose of representing to the owner that it was less valuable to the department than it really was. If the statement given by the minister is to be accepted as given, then I think every criticism directed by the hon. member for Yarmouth (Mr. Law), is very

amply borne out. Here was the property assessed at $350 before it was purchased. Here is the report of Mr. Brunel, that it was only worth $5,000. Here also is the report of Professor Prince that the property was not suitable for the purposes of a lobster pond. The minister states that subsequently streams of fresh water were diverted from the pond, making it suitable for the purposes for which it was purchased, and I doubt not that this diversion was accomplished by the expenditure of $10,400 after the Government had paid $10,000 for the property. Professor Prince also stated that it was too much exposed to the rays of the sun to be suitable for breeding lobsters. It has not been stated that they diverted the rays of the sun by means of this expenditure, but the amount would seem to indicate that that also had been attempted. Of course, the whole value of the property for a lobster pond would depend upon it being a sheltered place and protected from the rays of the sun, for there is nothing more fatal to young lobsters than high temperature of the water in which they dwell. If this pond were open to the direct rays of the sun, it would make it unsuitable for this purpose. As I stated, I trust the minister will remove from the committee the impression he gave as to Mr. Brunel's conscientiousness when he made his report.

Mr. HAZEN: Is it desired that this item should stand ?

Mr. SINCLAIR: I think it would be better to let that stand.

Mr. KYTE: The next item is 'inspection of canned fish.' I think that ought to stand.

Mr. HAZEN: That matter has been under the administration of the Department of Agriculture, but the inspection of canned fish has never been actually carried out. It was considered this year that the Department of Marine and Fisheries had better deal with that subject, and so the administration of that portion of the Act was placed under the Fisheries Department. Details are now being considered.

Mr. KYTE: I think a good deal of discussion will develop on that.

Mr. HAZEN: Then, let the item for fish breeding establishments go through.

Mr. McKENZIE: As it is going through, I desire to ask, is the department doing anything about stocking fresh water lakes, say in Nova Scotia?

Mr. HAZEN: I suppose the hon. gentleman has in mind the sporting fish, such as trout. There is a fish hatchery at Bedford where such fry can be obtained, and one at Middleton in the county of Annapolis. Of course, at the salmon hatcheries other fish can be hatched. As a rule people make application for the fry of these sporting fish, paying so much a thousand, and it is distributed in this way as far as it will go.

Mr. McKENZIE: There is a lake at the back of the town in which I live and—

Mr. HAZEN: Is it private property?

Mr. McKENZIE: No, it is a lake about three miles long and a mile wide. The only ownership is that the town of Sydney Mines gets its water from the lake. There is a desire on the part of the people that this lake should be stocked, and I think it would be well worth the experiment to put fry in it. There is a fish that flourishes abundantly in the lakes of Newfoundland, called the rainbow trout, a beautiful fish and very game. I would request that the minister consider putting some fry into that lake.

Mr. HAZEN: There will be some fry available from the Margaree hatchery and some of it might be put in the lake mentioned. I will ask the superintendent to make a note of it.

Mr. A. W. CHISHOLM: Can the hon. minister give the committee an idea of the number of trout put in that Margaree hatchery?

Mr. HAZEN: I cannot tell the number this year. Arrangements are being made to catch and impound trout, so that in future years we shall have a large supply of eggs for the hatcheries.

Mr. A. W. CHISHOLM: Where does the minister expect to get this trout?

Mr. HAZEN: In the Margaree river.

Mr. CHISHOLM: At what season?

Mr. HAZEN: They will have to be got and impounded in the early part of the summer, and the spawn taken from them during the spawning season.

Mr. LOGGIE: What has been the result of the work of the Shad Commission, which was appointed two or three years ago?

Mr. HAZEN: That commission was appointed before this Government took office, but I shall be glad to get a copy of the report and send it to my hon. friend.

Mr. LOGGIE: What is the Government doing now along that line?

Mr. HAZEN: We have a shad hatchery at St. John, which is at yet largely in the experimental stage. Shad is a curious fish. It is not difficult to get salmon and impound them; under favourable conditions you can strip them late in the summer or late in the fall, and take the spawn to the hatcheries. This cannot be done with shad; if you impound them they are almost sure to die, so you have to have a shad hatchery. The hatchery which is conducted by Professor Prince is in the nature of a scow which can be placed right over where the shad are, and when the shad are ripe they are stripped and the fry hatched out. We hoped to get several million eggs the first year, and we got only 500,000, but perhaps it is a little too soon to judge as to the success of the hatchery. The trouble with shad is that they are most difficult fish to handle, and often die upon being stripped.

Marine Biological Board of Canada—To provide for the construction and maintenance of marine biological stations for investigations, $21,000.

Mr. HAZEN: When fishery items were before the committee the hon. member for Carleton made some remarks about certain fishery overseers in his county, and he gave the name of one official who, he thought, was violating the law. The hon. gentleman stated that Mr. Parker and another guardian whose name he did not mention were noted poachers, and obtained their employment merely to enable them to carry on salmon fishing in the St. John river. I have a memorandum here in regard to the matter, which is as follows:

The inspector of fisheries was immediately asked for a report, and he replied that not only had he given strict instructions to the guardians to prevent illegal fishing, but that their diaries did not indicate that such had been going on. Moreover, at his request, none of them had applied for salmon fishery licenses to enable them to fish during the legal season.

He has procured declarations from each one who was employed last year, Mr. Parker inclusive, from which it will be observed that they each state that they did not fish illegally since they were appointed, nor did they knowingly let any one else do so illegally.

Mr. Harrison, the inspector, has reported that he cannot find any evidence whatever of illegal fishing having been carried on by any of these officials. Mr. Newcombe Parker made a declaration in the matter as follows:

I, Newcombe Parker, a former special guardian of fisheries, appointed by the hon. the Minister of Marine and Fisheries for Canada, on duty for the protection of the fisheries in the county of Carleton, N.B., from the 15th day of May, to the 15th day of September, 1913, do solemnly make oath and say that I did not fish with a net, nor by any other method, illegally, since my first appointment as fishery officer in 1912, and up to the present date, neither have I knowingly permitted illegal fishing, by any method, in any of the waters in the district for which I was appointed, covering the time of my appointments, and which times I was a fishery officer, viz: May 15, 1912, and May 15 to September 15, 1913. So help me God.

Here is a letter from Frank O. Parker to Mr. Harrison:

I wish to state outside of this enclosed declaration that I have never caught a salmon in the St. John river in my life. I have never owned a net nor fished with one in the St. John river or anywhere else.

There are similar statements from Russell Boyer, Robert Squires and John C. Arnold. These I believe are all the guardians employed there, and, as I say, Mr. Harrison says we told him to make the strictest possible inquiry into the whole matter. I shall show the instructions to my hon. friend if he desires to see them. Harrison says he can find no evidence of anything of the sort and Parker makes his affidavit denying it. If my hon. friend can give me the names of his informants so that we can send Harrison to them we would regard it as a confidential communication. We would tell the inspector to see these people and find out if he could get any evidence to show that my hon. friend was correct and not misled by incorrect information in the charge he made before the House. We have done all we can to ferret the matter out. So far as I know Harrison is a competent official, he has been there for many years and he says he can get no evidence and that his belief is the law is pretty well enforced.

Mr. CARVELL: I need not say that I did not myself see Mr. Parker poaching; but I would not have made such a statement if I had not had pretty good grounds for doing so. I have it on the evidence of men living at Bristol where he lives that it is a common thing, in season and out of season. I do not know that I have information of men who have seen Parker himself fishing but they have seen his relatives, and it is well known that poaching is going on continually. I shall try to get the information for the minister. Probably what has been said here will make Mr. Parker and his relatives more careful.

Mr. HAZEN: If Parker has done this or has winked at it, he should not be allowed to continue in office.

Progress reported.

On motion of Mr. Hazen, the House adjourned at 1.30 a.m., Saturday.

Monday, April 6, 1914.

The House met at Three o'clock, the Speaker in the Chair.

PRIVATE BILLS.

FIRST READINGS.

Bill No. 148, for the relief of George Gracie Smith.—Mr. McKay.

Bill No. 149, for the relief of Harry Cracroft Pugh.—Mr. Douglas.

THIRD READING.

Bill No. 89, respecting the University of Saskatchewan, and to change its name to The University of Emmanuel College.—Mr. McKay.

SECOND READINGS.

Bill No. 140, to incorporate the National Council of Women of Canada.—Sir E. Osler.

Bill No. 141, respecting The Rainy River Radial Railway Company.—Mr. Carrick.

Bill No. 142, respecting The Pacific Trans-Canada and Hudson Bay Railway Company.—Mr. Douglas.

Bill No. 143, respecting a patent of John Roger Arnoldi.—Mr. Macdonell.

Bill No. 144, for the relief of Henry Elmer Bicknell.—Mr. McCraney.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

FEDERAL LIFE ASSURANCE COMPANY.

Mr. HENDERSON:

1. What is the number of half-yearly renewal term policies of certificates of insurance issued by the Federal Life Assurance Company of Canada and now in force?

2. What are the names and present post office addresses of the holders of the said policies or certificates of insurance?

Mr. WHITE: The Insurance Department has no information concerning the matters referred to.

TRADE COMMISSIONER GRIGG.

Mr. A. W. CHISHOLM:

1. What is the salary of Mr. Grigg, Trade Commissioner of Canada?

2. When was he engaged, and for what period of time?

3. What are his duties and responsibilities?

4. Where was he employed previous to his appointment as Trade Commissioner of Canada, and what salary was he then paid?

5. Has he any agents or commissioners under him? If so, how many and where are they located?

Mr. G. E. FOSTER:

1. $6,000 per year.

2. About two and a half years ago, on the same condition as to time of service as other civil servants.

3. His duties and responsibilities are to advise the minister on trade and commercial matters, and he has charge of the trade commissioners and performs such other services as naturally falls under his division.

4. He was British Trade Commissioner for Canada at the same salary as he is now paid.

5. All trade agents and commissioners as set forth in the weekly report.

COASTING PRIVILEGES.

Mr. SINCLAIR:

1. Has the Government received a protest from Ship Masters' Association of Canada No. 1 in the following language:

'We, the Ship Masters' Association No. 1 of Canada, protest against the renewing of the Order in Council granting coasting privileges to foreign steamers in our coasting or home trade, this privilege being a serious detriment to Canadian master mariners, marine engineers and seamen.

'We also request you to use your influence to have the Government appoint a royal commission to look thoroughly into this coasting trade, and would appreciate having Alex. G. Baillie, of Port Hastings, on said commission. Why? Because Canada has been reduced from the fourth shipping maritime nation in the world to eleventh place.'

2. If so, what action does the Government intend to take in the premises?

3. Has the Government by an Order in Council, extended the time for granting coasting privileges to foreign steamers?

4. If so, what is the date of such Order in Council?

5. To what foreign countries is this privilege given?

6. How many foreign ships took advantage of this concession during the year 1913?

Mr. HAZEN:

1. Yes.

2. No action in the matter has been taken since the receipt of the protest of 27th February, 1914.

3, 4 and 5. By Order in Council of December 8, 1911, the privilege of the coasting trade between ports in Nova Scotia and ports in Quebec was given until the 31st day of December, 1913, to steamers of not less than 1,500 tons gross to each of the following countries: Italy, Germany, the Netherlands, Sweden, Norway, Austro-Hungary, Denmark, Belgium, the Argentine Republic and Japan. By Order in

Council the 16th December, 1913, the same privilege was granted until the 31st day of December, 1914, to steamships of not less than 2,000 tons gross tonnage each of the following countries: Norway, Sweden, Austro-Hungary and Japan.

6. There has not been any record compiled showing the number of these ships.

COST OF LIVING COMMISSION.

Mr. SINCLAIR:

1. Is it true that the royal commission at present investigating the high cost of living has been taking evidence behind closed doors? If so, why?

2. Were the commissioners so instructed by the Government?

Mr. BORDEN:

1. The Board of Inquiry investigating the high cost of living have been taking evidence both in public and private, as best it can be secured.

2. The Government instructed that investigation should be most thorough and did not advise as to or limit procedure.

BLUE BOOKS IN FRENCH.

Mr. FORTIER:

1. What date will the French version of the following departmental blue books be distributed to Parliament:—Auditor General, 3 vols.; Postmaster General; Inland Revenue; Trade and Commerce, 7 parts; Railways and Canals; Public Works; Marine and Fisheries; Interior; Secretary of State, Mines, Printing and Stationery; Penitentiaries; Labour; Public Accounts, and Trade and Navigation?

2. Will these blue books, or any of them, be published before the present Session is prorogued?

3. Who is responsible for delaying the publication of these important blue books?

4. Is the translation branch or the Printing Bureau equipped to do the work within a reasonable period? If not, why not?

Mr. BORDEN:

The Auditor General's Report is being translated at the Printing Bureau.

The Inland Revenue Report, Part 1, Excise, was published in French, 8th January, 1914. Part II, Weights and Measures, was published in French, February 7, 1914. Part III, Adulteration of Food, was sent to the Bureau, October 24, 1913.

Railways and Canals translation sent to the Bureau on January 8.

Interior translation completed March 17 and sent to Bureau; Secretary of State, ditto, January 27; Mines, ditto, August 29, 1913; Penitentiaries, ditto, February 10; Labour, ditto, December 6, 1913; Public Accounts, ditto, November 27, 1913; Postmaster General, ditto, March 26.

The following blue books are being translated in the departments: Trade and Commerce, Public Works, Marine and Fisheries.

Printing and Stationery is in course of translation.

2. Probably all the blue books referred to will be published before the end of the present session.

3. There has been no unnecessary delay. The extensive nature of the work has necessitated the time taken in translation and printing.

4. The matter of the proper equipment of the translation branch and of the Printing Bureau for doing the work with reasonable promptitude is under consideration.

THE CARSLAKE PROPERTY.

*Mr. LEMIEUX:

1. What amount was offered by the Government to the Carslake Hotel Company for the purchase of its property near Bonaventure Station, Montreal, before the expropriation proceedings were entered into in the Exchequer Court?

2. What were the terms of said offer?

3. What was the date of said offer?

Mr. ROGERS: No offer made.

CAPTAIN N. T. TOWNSEND.

Mr. CARROLL:

1. Has Mr. Vincent Mullins, of Sydney, Nova Scotia, received authority from the Marine and Fisheries Department or any person in connection therewith, to ask for the resignation of one Captain N. T. Townsend, the Port Warden of Sydney?

2. Has the department asked for the resignation of Captain Townsend?

Mr. HAZEN:

1 and 2. In view of the fact that Captain Townsend was reported as being unable to satisfactorily perform his official duties, owing to advanced age and infirmities, Mr. Vincent Mullins, agent of the department at Sydney, was instructed to call upon Captain Townsend, explain the situation to him, and obtain from him his resignation. Mr. Mullins reported that Captain Townsend claimed to be competent to perform his duties as port warden for the present, and no further action was taken.

MONTREAL MILITARY GROUNDS.

Mr. CARVELL:

1. Who did the Minister of Militia or department appoint to purchase the Bonnie Bel Air or other property for military grounds in the vicinity of Montreal in the year 1911 or 1912?

2. Was the appointment verbal or in writing?

3. Was Colonel Cantlie one of those appointed?

Mr. SAM. HUGHES:

1. Colonel Wilson and Colonel Labelle conducted all negotiations. Nearly all the leading officers of Montreal were consulted, and practically unanimously reported favourably upon the Dorval site.

2. There was no official appointment.

3. Answered by No. 1.

SS. CANADA.

Mr. MARCIL:

1. Has the steamer 'Canada,' under contract for the service between Campbellton, N.B., and Gaspé, Quebec, undergone an inspection by the Government inspectors during the present season and been overhauled in dry-dock?

2. If so, what has been the result of such inspection?

Mr. HAZEN: The SS. Canada was inspected by the Government inspectors and granted a certificate on the 5th May, 1913; this certificate expired on the 1st December, 1913. No further report of official inspection has yet been made to the department, and no certificate for 1914 has been issued.

Mr. MARCIL:

1. Is the Department of Trade and Commerce aware as to whether the steamer Canada is to perform the service between Campbellton, N.B. and Gaspé, Quebec, this season?

2. In case the Canada does not perform this service, has the department received any offer to substitute any other steamer?

3. If so, what is the steamer, and has any agreement been entered into to that effect, or is any under consideration?

Mr. G. E. FOSTER:

1. The department understands that the steamer Canada will not be available for a service exclusively over the Campbellton-Gaspé route.

2. There is a proposal under consideration by which a service will be given over the Campbellton-Gaspé route.

3. No arrangement has as yet been concluded.

NEW RICHMOND FREIGHT SHED.

Mr. MARCIL:

1. Is a freight shed being erected on New Richmond wharf, Quebec?

2. What is to be the cost of this building and who is doing the work?

3. Were tenders called for, who secured the contract, and at what price?

4. Who is overseeing the work, and who recommended the appointment?

Mr. ROGERS:

1. Yes.

2. $173.03.

3. No; work done by day labour.

4. Under the supervision of the district engineer, foreman Mr. James Lynd, recommended by Mr. David Champoux.

MEETINGS OF RAILWAY COMMISSION.

Mr. BOULAY:

How many meetings did each of the Railway Commissioners attend from the 1st of April, 1913, to the 31st of March, 1914?

Mr. J. D. REID:

1. There were fifty-four meetings of the board which the commissioners attended as follows: chief commissioner, 48; assistant chief commissioner, 31; deputy chief commissioner, none; Commissioner Mills, 28; Commissioner McLean, 32; Commissioner Goodeve, 35.

At the above meetings 814 formal applications were heard.

This return does not include the chamber attendance of the members or unlisted meetings, both of which have resulted in 4,160 matters being dealt with during this period. All the commissioners with the exception of the deputy chief commissioner, whose health has prevented his attendance, have been regularly in attendance at the board's offices.

HARVEY JUNCTION-COCHRANE TRAIN SERVICE.

*Mr. LEMIEUX:

Who besides the settlers of the Abitibi and the Quebec Board of Trade have petitioned the Minister of Railways and Canals to run trains on the Transcontinental railway between Harvey Junction and Cochrane?

Mr. J. D. REID: The Department of Railways and Canals has received no petition to run trains on the Transcontinental railway between Harvey Junction and Cochrane except the one from the settlers of Abitibi mentioned in reply to a question asked by Mr. Lemieux dated March 12, 1914.

HERRING FISHING.

Mr. EMMERSON:

Is it the intention of the Minister of Marine and Fisheries to publish in the Canada, Gazette during the present spring months a notice excepting herring from the operation of the 43rd section, or any part of the same section, of the Fisheries Act, 1914, for the present season?

Mr. HAZEN: The matter is under consideration.

INTOXICANTS AT TRAINING CAMPS.

Mr. PROULX:

1. Is it a fact that the canteens where beer may be purchased by non-commissioned officers

and men, has been abolished at the annual training camps?

2. Is it a fact that the officers attending the above camps still have the privilege of whisky, beer and other intoxicating liquors in their messes?

3. If the above are answerable in the affirmative, why is there an apparent discrimination against the non-commissioned officers and men?

Mr. SAM. HUGHES:

1. Beer may not be purchased in any annual training camps of the Canadian militia by any officer, non-commissioned officer, man or civilian.

2. No.

3. This question is improper.

HERON ISLAND POWER HOUSE.

*Mr. LEMIEUX:

1. Has the Government given permission to a company to build a power house on Heron island, near Lachine rapids, and to construct a dam on the St. Lawrence river at that place?

2. What is the name of the company?

3. Have said works been authorized by the Government engineer?

Mr. ROGERS: No.

GOVERNMENT NEWSPAPER ADVERTISING.

Mr. SINCLAIR:

Referring to an item of $6,000 found on page W. 52, Vol. 3, Auditor General's Report, paid to James Battle and N W. Gowan for manufacturing 20 steel castings, what are the names of the newspapers in which the advertisement calling for tenders for this work appeared and the dates of such advertisements?

Mr. J. D. REID: There were no tenders called for by newspaper advertisement for the above. Messrs. James Battle and N. W. Cowan are the patentees for the Cowan safety appliance. This device consists of two heavy steel castings on each leaf of the upper gates, four castings to a lock, weighing over 1,600 pounds each. The device is intended to prevent the forcing downstream of one gate leaf when the other has been accidentally pushed back by a vessel in the lock. Two years ago the head gates of one of the locks of this canal were equipped with this device, and in May, 1912, an upbound vessel surging forward struck into the mitre and opened it; a similar accident occurred in the same lock in the month of August, 1912. The superintending engineer advised, he is satisfied, that in both cases the device avoided a very serious accident. An offer had been sought from Messrs. James Battle and N. W. Cowan, the owners of the patent, for the supply of twenty steel castings forming the Cowan safety appliance. An offer was received from them approved by the superintending engineer, and accepted by Order in Council, dated the 26th of August, 1912, for the bulk sum of $6,000.

Mr. SINCLAIR:

Referring to an item of $6,705.51 found on page W. 48, Vol. 3 Auditor General's Report, paid to John and Wm. Burns for two dumping scows, what are the names of the newspapers in which the advertisements calling for tenders for this work appeared and the dates of such advertisements?

Mr. J. D. REID: There was no newspaper advertisement calling tenders for the above, but a circular letter was sent to each of the following firms, dated the 22nd of May, 1912: Alexander McKay, Montreal; Gilbert Motor Boat Company, Brockville; Kingston Shipbuilding Company, Kingston; Ottawa Boat Works, Ottawa; William Watters, Hull; Napoleon Tessier, Hull; J. & R. Weir, Montreal; N. Beatty & Sons, Limited, Welland; John Burns, Ottawa.

Mr. SINCLAIR:

Referring to an item of $6,300 found on page W. 49 Vol. 3 Auditor General's Report, paid to W. H. Kelly Lumber Company, for wooden tug, what are the names of the newspapers in which the advertisement calling for tenders for this work appeared and the dates of such advertisement?

Mr. J. D. REID: There was no newspaper advertisement calling tenders for the above, but a circular letter, dated the 4th of May, 1912, was sent to the following firms: Davis and Sons, Kingston; Ottawa Forwarding Company, Limited, Ottawa; La Cie Pontbriand Ltee, Sorel; Canadian General and Shoe Machinery Company Limited, Levis; J. G. Gridley and Son, Midland; Georgian Bay Shipbuilding and Wrecking Company, Midland; Hamilton Motor Works, Hamilton; W. Watts and Sons, Collingwood; Doty Engine Works Company, Goderich; Polson Iron Works Limited, Toronto; W. H. Kelly Lumber Company, Buckingham; J. and R. Weir, Montreal; Sincennes McNaughton Line, Limited, Montreal; St. Lawrence Engine Company, Limited, Brockville; A. R. Williams Machinery Company, Limited, Toronto; Robertson Brothers, Hamilton; Ottawa Boat Works, Ottawa.

Mr. SINCLAIR:

Referring to an item of $2,089.24 found on page W., Vol. 3, Auditor General's Report, paid to Rhodes, Curry Company, Halifax, for repairs to freight cars, what are the names of the newspapers in which the advertisement calling for tenders for this work appeared and the dates of such advertisements?

Mr. J. D. REID: There was no contract for repairs to freight cars, and no newspaper advertisement calling for tenders for the same. The item referred to in page 'W' volume III, Auditor General's Report of $2,089,24, was in connection with a contract with Messrs. Rhodes Curry and Company, sublet to Mr. E. A. Wallberg, for balance in settlement of a claim in connection with the building of the freight car repair shop and planing mill.

OTTAWA BUILDING LEASES.

Mr. CARVELL:

1. Has the Government leased a part of a building in Ottawa belonging to the Journal Publishing Company or to Mr. P. D. Ross?
2. If so, for what term and at what price?

Mr. ROGERS:

1. Yes, from the Journal Printing Company.
2. For 5 years at 70 cents a superficial foot.

Mr. KYTE:

1. Has the Government leased any part of the Rea building, Ottawa?
2. If so, how much of it has been leased, for how long and at what price per square foot?

Mr. ROGERS:

1. Yes.
2. The three upper floors, at 70 cents a superficial foot, for 5 years from date of occupation; not yet occupied.

EMPLOYMENT OF H. H. LOUCKS.

Mr. KYTE:

1. How long was H. H. Loucks employed on the staff of the House of Commons?
2. When did such employment cease?
3. What is the amount of his superannuation?
4. Has he been employed by the House of Commons, or any department of the Government, since the date of his superannuation?
5. If so, what is the nature of such employment, where is the work performed and what is the rate of remuneration given to him?
6. How much has he drawn as salary or remuneration for such work since the date of his superannuation?

Mr. BORDEN:

1. He was so employed for twenty-two years and two months.
2. July 1, 1913.
3. $704.
4. He has been temporarily employed.
5. Proof-reading in the House of Commons at $3.50 per diem.
6. He has drawn pay at the above rate since the 2nd of September, 1913; total amount to April 1, $738.50.

INTERNATIONAL HORSE SHOW.

Mr. CARVELL:

1. Have any horses belonging to Hon. Adam Beck been sent to England by the Department of Militia and Defence?
2. If so, how many and what is the total cost to the department to date?
3. Are any of the said horses still there? If so, is the department defraying the whole or any portion of the expenses thereof?

Mr. S. HUGHES:

1. The following officers of the Canadian Militia composed the Canadian team sent to England last year to compete at the International Horse Show, and supplied their own horses: Major C. T. Van Straubenzie, Royal Canadian Dragoons; Lieut. H. N. Bate, 5th Princess Louise Dragoon Guards; Lieut. R. Gordon Myles, 9th Mississauga Horse. Hon. Adam Beck was in charge of the Canadian team.
2. $1,451.46.
3. No.

DISMISSALS.

Mr. VERVILLE:

1. Has Mr. Parent, assistant engineer in the Public Works Department in Montreal, been dismissed or suspended? If so, when?
2. What were the reasons for such dismissal or suspension?
3. Was there a report made against him? If so, of what nature and by whom?
4. Has there been an investigation held in that matter, or is it the intention of the Government to grant Mr. Parent such investigation?
5. Was Mr. Parent on the permanent staff, and is he supposed to receive notice? If so, of how many days?
6. Is a Government employee on the permanent staff supposed to receive any pay after notice is given? If so, for how long?

Mr. ROGERS:

1. (a) Yes; (b) March 11, 1914.
2. Services no longer required.
3. No.
4. (a) No; (b) not considered necessary.

5 and 6. No.

Mr. MARCIL:

1. On what ground has William Campbell, lightkeeper of the lights on New Richmond wharf Quebec, been dismissed?
2. Was Campbell given an opportunity of meeting the charges made, if any, and by whom were such charges made?
3. Was an investigation held? If so, by whom, and what witnesses were heard?
4. Who recommended the appointment of James Robertson to succeed William Campbell?

Mr. HAZEN:

1. Political partisanship.
2. (a) Yes. The department is informed that he was advised, by registered letter, of the time and place of the inquiry; (b) Messrs. H. W.. Doddridge, J. H. Robert-

son, J. A. Mousseau, J. E. Mill, D. Champoux.

3. (a) Yes; (b) Mr. W. A. E. Flynn; (c) Messrs. W. Doddridge, C. A. Brunelle and J. H. Robertson.

4 Mr. D. Champoux.

UNOPPOSED AND UNDISCUSSED MOTIONS.

Mr. C. Marcil.—For a copy of all documents bearing on the dismissal of Thomas Le Blanc, as postmaster of Allard, Bonaventure county, and the appointment of his successor.

Mr. A. W. Chisholm.—For a copy of all letters, telegrams, correspondence, complaints, bills, accounts, vouchers, receipts and any documents in any way connected with the expenditure of money at Friar's Head boat harbour by Simon P. Doucet, during the years 1912-13, 1913-14.

Mr. A. W. Chisholm.—For a copy of all letters, telegrams, correspondence, complaints and documents of all kinds in any way connected with the asking for tenders for the mail route between Low Point and Creignish Station during the years 1913-14.

Mr. Gauvreau.—For a copy of all correspondence, accounts, indemnities, travelling expenses, etc., from Fraserville to Quebec, and of all other documents relating to the amount of money received each year by His Honour Mr. Justice Ernest Cimon, from 1890 to 1913, as judge of the Superior Court sitting at Quebec, during the time he was connected with the district of Kamouraska.

Mr. Lemieux.—For a copy of all papers, letters, telegrams, reports, Orders in Council, etc., in connection with the proposed purchase of the property known as the Carslake Hotel near Bonaventure Station, Montreal.

Mr. Knowles.—For a copy of all letters, telegrams, documents, papers, etc., in connection with the purchase by the Government of Lots 1 and 2, Block 125, Plan 96, in the city of Moosejaw, for an examining warehouse site.

Mr. Law.—For a copy of all letters, telegrams and correspondence received since April 1, 1912, by the Minister of Militia, or the officials of his department, from any person or persons of Yarmouth, N.S., or vicinity, relating to bounties payable to Fenian Raid veterans or applicants for same.

Mr. Law.—For a copy of all letters, telegrams and correspondence received by the Postmaster General in connection with complaints made that the postmaster at Yarmouth North, N.S., had been or is selling postage stamps outside his jurisdiction.

Mr. Macdonald.—For a return showing whether the Government has purchased any coal, freight or passenger cars during the past six months for the Intercolonial railway; if so, from whom and in what quantity; what price was paid in each case; whether any tenders were called for the same; who the tenderers were and the amount of each tender.

Mr. Marcil.—For a copy of all documents, investigation reports and letters, concerning the dismissal of William Campbell, lightkeeper on the wharf at New Richmond, Quebec, and the appointment of James Robertson as his successor; together with a copy of recommendations and the letters respecting the appointment, if any.

Mr. Sinclair.—For a copy of all petitions, letters, complaints and other documents relating to the dismissal of Charles McPherson, postmaster at North Riverside, county of Guysborough, N.S., and of all recommendations and correspondence relating to the appointment of his successor; also a copy of all evidence and of the report of the investigation, if any, and a statement of the expenses of said investigation.

Mr. Law.—For a copy of all letters, telegrams and correspondence, as well as of tenders for dredging, received by the Minister of Public Works, or officials of his department, relating to dredging and improvements of the harbour of Yarmouth, N.S., from October 1, 1911, to date.

Mr. A. W. Chisholm.—For a copy of all correspondence, letters, telegrams, complaints and documents of all kinds received by the Department of Trade and Commerce during the years 1913-14, with respect to the Pictou-Mulgrave-Cheticamp steamship route.

Mr. Sinclair.—For a copy of all petitions, correspondence, telegrams and other papers and documents received by the Department of Marine and Fisheries since January 1, 1914, relating to the transportation of fish from the Maritime provinces to the United States, and of all replies thereto.

Mr. Macdonald.—For a copy of all letters, petitions and documents relative to the establishment of a rural mail delivery route from New Glasgow through Mount William, Granton and Abercrombie, county of Pictou?

Mr. Macdonald.—For a copy of the new rules and regulations in regard to employees of the Intercolonial railway and Prince Edward Island railway.

Mr. Macdonald.—For a copy of all letters, telegrams and other documents relative to the purchase of land for a public building at Stellarton, Nova Scotia.

Mr. Macdonald.—For a copy of all letters, telegrams and other documents relative to the mail contract between New Ross and Vaughan's post office, Waterville, province of Nova Scotia.

Mr. W. Chisholm.—For a copy of all accounts and vouchers covering the expenditure during the calendar year 1913 at South Lake, Lakevale, Antigonish county, and showing in detail, the persons to whom such payments were made, what such payments were for, the number of days labourers employed, and the rate of wages, the quantity of material used and the price paid therefor, the quantity of material hauled to the work and not used, and the persons supplying such material.

Mr. Kyte.—For a copy of all correspondence letters, telegrams, petitions and recommendations relating to the wharf at Arichat, N.S., to be used by SS. Magdalin.

THE BUDGET.

Hon. W. T. WHITE (Minister of Finance) moved that the House go into Committee of Ways and Means. He said:

Mr. Speaker, the Budget Speech of last year was delivered on May 12. Upon that occasion I indicated my views as to the outcome of the fiscal year ended on March 31 previously. The books when finally closed showed the actual results as somewhat better than the estimate which I had made. The main features were, however, substantially as predicted.

Fiscal Year, 1912-13.

The fiscal year 1912-13 was characterized throughout by the greatest expansion the Dominion has yet known. The extraordinary activity in every department of effort, agricultural, industrial, commercial and financial, combined to produce a result strikingly in excess of anything of the kind in our previous fiscal experience. The revenue of the year exceeded that of the preceding year by no less a sum than $32,581,686.09.

The various sources from which this revenue was derived with comparative figures of the two years may be found in the table which I shall now read and place upon 'Hansard' for the information of members of the House, who may be interested in the statistical details:

Consolidated Revenue Fund.

	1911-12.	1912-13.	Increase.
Customs	$ 85,051,872.18	$111,764,698.73	$26,712,826.55
Excise	19,261,661.97	21,447,444.94	2,185,782.97
Post Office	10,492,394.18	12,051,728.86	1,559,334.68
Railways	11,034,165.83	12,442,203.46	1,408,037.63
Miscellaneous	10,268,123.20	10,983,827.46	715,704.26
	$136,108,217.36	$168,689,903.45	$32,581,686.09

It will be observed that the principal increase arose, as was to be expected, from customs although the revenues from other sources showed also a marked expansion. The remarkable and, so to speak, abnormal activity which characterized the year is reflected in the general increase of the revenue under every heading.

Consolidated Fund: Expenditure, 1912-13.

The consolidated fund expenditure for the year 1912-13 amounted to $112,059,537.41, a sum considerably less than my estimate. The increase in expenditure upon current or ordinary account over that of the previous year amounted to $13,898,096.64. This increase was due to larger appropriations made for the public service generally, to the readjustment of certain provincial subsidies and to enlarged expenditure in the Post Office and Railway Departments, the increase being partially offset by increases in earnings upon the other side of the accounts.

The consolidated fund revenue, amounting, as I have stated, to $168,689,903.45, and the expenditure to $112,059,537.41, the surplus on consolidated fund account for the fiscal year 1912-13 was $56,630,366.04 available for meeting capital and special expenditures, which, in the absence of any surplus, would have to be wholly met by borrowing.

Capital and Special Outlays, 1912-13.

These capital and special outlays were as follows:

National Transcontinental railway	$13,767,011 44
Quebec bridge	1,512,825 96
Hudson Bay railway	1,099,063 15
Other railways	2,509,988 51
Canals	2,259,257 45
Public works	6,057,514 57
Railway subsidies	4,935,507 35
Other special charges	255,647 89
	$32,396,816 37
On the one hand, then, we had a surplus of	$56,630,366 04
On the other, a capital and special outlay of	32,396,816 37
Or a difference of	$24,233,549 67
If to this we add	1,384,285 36
Representing Consolidated Fund expenditure for investment in Sinking Funds, it will be found that the net debt of the country at the close of the year 1912-13 was reduced by the sum of	$25,617,835 03

This is a reduction without parallel in the fiscal history of the Dominion.

The reduction in net debt does not mean that we paid off to that extent the funded debt of Canada by the purchase or redemption of our sterling or currency securities. Out of the surplus which we had over and above all expenditure we invested under legislative authority over $11,000,000 in Grand Trunk Pacific bonds guaranteed by the Dominion, and $2,200,000 in Montreal harbour debentures.

I think I should say here, in connection with this statement, that we have taken into our account, at par, the Grand Trunk Pacific bonds guaranteed by the Govern-

ment, which we have purchased to the amount I have mentioned for the fiscal year 1912-13. The value of these bonds is about 75, and, if the statute had permitted, I should have been disposed to write them down to their true value and enter them at that figure upon the books of the Dominion. But there is no statutory authority for so writing them down. The reason I mention the matter here is because the $11,000,000, which we have on our books as the investment for the year 1912-13 in Grand Trunk Pacific bonds, guaranteed as to principal and interest by the Dominion, would be reduced by about twenty-five per cent of that amount, and to that extent the reduction in net debt I have mentioned would be diminished. I think it only fair that I should make that statement. Notwithstanding that, the reduction in the net debt, even if so diminished, would still be without parallel in the previous history of the Dominion.

Fiscal Year 1913-14.

Turning to the fiscal year 1913-14, which ended on March 31, we find an important factor which has exercised a marked influence upon our finances. I refer to the severe, prolonged and world-wide financial stringency, which, becoming marked in the autumn of 1912 when the Bank of England rate was raised to five per cent, has continued uninterruptedly almost to the present time. This stringency was accompanied, as was to be expected, by a restriction of commercial credits and by a serious limitation of the supply of capital hitherto available in the international money markets for the enterprise of borrowing nations such as Canada. The result has been a sharp check upon expansion and a trade slackening, which appears to be not confined to any particular country, but to be general throughout the world. Later in my speech I shall deal with this condition at greater length. I refer to it now because of its bearing upon the financial result of the year.

The fiscal year 1913-14 ended on March 31, but, under the provisions of the law which authorizes an extension of time for the closing of the accounts of the year, it will be some weeks later before the books are closed and all the items brought to account. It is possible, however, to make a fairly close estimate of what the ultimate result will be shown to be.

It is estimated that the revenue for the year 1913-14 will reach $163,000,000. This estimated revenue will fall short of the revenue for the previous fiscal year 1912-13 by nearly six million dollars. In connection with this falling-off in revenue caused by the financial stringency and consequent trade slackening to which I have alluded, it is instructive to recall the years 1907 and 1908, when somewhat similar conditions were attended by similar results. The money stringency of 1907, while more acute while it lasted, was neither so prolonged nor widespread as the stringency of the past two years. It was followed, as was to be expected, by a trade depression of many months' duration, which exercised a similar influence upon the revenues of the Dominion. To particularize: the revenues of the Dominion, which for the fiscal year 1907 had reached a total of $96,000,000, showed in the following year a diminution of about eleven million dollars, a reduction of over eleven per cent.

The expansion which characterized the revenues of 1912-13 continued, although in diminishing degree of increase, until the end of September last. At the expiration of that period the revenue for the six months from April 1 to September 30, exceeded that for the corresponding six months of the previous fiscal year by $5,499,065.40. From October to the end of March this increase had been turned into a decrease of $5,039,598.54. In other words, during the six months' period from October 1 to March 31 the decrease in the revenue amounted to $10,538,663.94. I place upon 'Hansard' a tabular statement showing the gross revenues for the corresponding months of the two fiscal years:

	1912-13.	1913-14
April	$11,019,445.77	$12,145,445.78
May	13,636,718.10	14,818,918.33
June	13,181,946.75	14,304,316.25
July	14,619,207.22	15,811,914.26
August	14,445,849.42	14,547,853.20
September	14,475,483.52	15,249,258.36
October	14,758,946.72	14,225,598.16
November	14,297,778.28	13,536,981.32
December	14,142,180.59	12,931,466.77
January	13,442,378.80	11,529,753.30
February	13,135,870.58	9,698,120.91
March	14,372,331.40	11,688,901.97

The decline has been experienced chiefly in the customs revenue. The receipts from other sources of revenue have held fairly well, and the set-back in customs, while substantial, cannot be regarded as serious when the volume of the revenue is taken

into consideration. The causes of the shrinkage are undoubtedly those which I have indicated, viz: the financial stringency and its concomitants, restriction of credit and contraction of business enterprise.

The revenue for the present year will, then, approximate $163,000,000.

Let us now consider the expenditure. First of all, the ordinary Consolidated Fund expenditure will probably reach $126,500,000, or about $14,500,000 in excess of last year. At the last session of Parliament fairly generous appropriations were made for all divisions of the ordinary services of the country. The main increases will be found in Public Works (expenditure chargeable to income) and in the expenditure on account of post office, railways, agriculture, and militia. With the growth of the country the other services have required additional outlays, with the result that for the current fiscal year as I have stated, there will be an increase in the expenditure on account of Consolidated Fund of about $14,500,000. A revenue of $163,000,000 and an expenditure of $126,500,000 leaves a surplus of revenue over and above the amount required for expenditure upon current account of $36,500,000.

The surplus for the year, then, will be thirty-six million five hundred thousand dollars as compared with fifty-six million dollars last year.

In connection with this matter of surpluses, it may not be out of place for me to point out that from the year 1902 forward there have been substantial surpluses of revenue over current expenditure, running from $14,000,000 in 1902-3 to $22,000,000 in 1909-10, to $30,000,000 in 1910-11. For the year 1911-12 our surplus was $37,000,000, for 1912-13, as I have stated, $56,000,000, and for last year, 1913-14, the figure which I have just given, $36,500,000. So we have had during the last three years the largest surpluses in the financial history of the Dominion.

In addition to the ordinary or running expenditure, we have further the capital outlays upon our larger public works and national undertakings, such as the Transcontinental railway, the Intercolonial railway, Hudson Bay railway, Quebec bridge and other works involving heavy expenditures, which have always been regarded as being properly the subject of borrowing. It must be obvious to all that the taxpayer of the day is not to be expected to defray each year the entire capital cost of works such as railways, canals, harbour improvements, dry docks, and other expensive undertakings which once constructed become national assets of great productive value to the Dominion for generations to come. The propriety of constructing these works, partially at least, with funds raised upon the credit of the country does not appear to me to be open to challenge or controversy.

Special Subsidies to Railways.

The House will recall that last year it was considered advisable to render material assistance to railways in order that their work of construction might not be interrupted by reason of the prevailing adverse monetary conditions and the consequent stoppage of funds which previously had been obtainable in the London money market by the railway companies themselves through sales of securities. For this reason and because it was thought proper that, having regard to the cost, magnitude and national importance of the enterprise, further government aid might fairly be granted them, subsidies to a large amount were granted to the companies embraced in the Canadian Northern railway systems. On account of these and other railway subsidies the sum of $19,000,000 has been expended during the fiscal year 1913-14. A loan of $15,000,000 was also authorized to the Grand Trunk Pacific Railway Company, secured by the guarantee of the Grand Trunk Railway Company.

My estimate of the expenditure upon capital account, upon railway subsidies and other special accounts, is the sum of $57,000,000. To meet this we have on revenue account a surplus of $36,500,000, leaving a debit balance of $20,500,000, from which we must deduct $1,500,000, representing investments made in sinking funds. The result then will be that in respect of capital and special accounts aggregating, as I have stated, the sum of $57,000,000, the net debt of Canada will be increased by the sum of $19,000,000. Putting the matter another way, our revenues will have been found sufficient to meet all current and capital expenditures including railways, canals, harbour and public buildings expenditure, and we have been obliged to increase the debt only by reason of the unusual and abnormal expenditures upon railway subsidies. I believe I am fully justified in making the statement that in the trying financial conditions which pre-

vailed last year the action of the Government in coming to the assistance of the railways alone rendered the continuation of their enterprises possible, at all events for the year in question. The consequences of the interruption of the work of construction would, I need scarcely say, have been of the most serious character to the Dominion as a whole.

Under all the circumstances of the year, an increase in the net debt in the sum of $19,000,000 must be regarded as eminently satisfactory, especially when it is borne in mind that in the fiscal year 1908-09, following a much less trying period of financial stringency in 1907-08, the net debt of the Dominion was increased by no less a sum than $46,000,000. It is also to be noted that, nothwithstanding this increase, the net debt of Canada when the books for 1913-14 are closed will be less by several million dollars in amount than it was in 1911 when the present Government assumed office. The explanation of this lies in the fact that during the year 1912-13, when the revenues amounting to upwards of $168,000,000 were abnormal, and due in considerable measure to commercial inflation, the Government was able to achieve a reduction in the net debt which more than offsets the increase rendered necessary by the abnormal conditions of the year just closed.

Maturities and Borrowings, 1913-14.

In my Budget of last year I made mention of the fact that only two loans remained to be provided for until the year 1930. One of these for £1,700,000, being portion of a 4 per cent loan guaranteed by the Imperial Government and issued in 1878, matured on October 1 last, and was duly paid off, as was also a small currency loan originally issued in Canada in 1883 at 4 per cent, but subsequently extended at the rate of 3½ per cent and amounting to $1,446,565. The other loan to which I referred was originally issued for £6,000,000, of which £5,487,080 is now outstanding, the difference representing a cancelled sinking fund investment. This loan was issued in the form of bonds and is redeemable on July 1, 1919, with the option to the Government to redeem the whole or any part by drawings at par on or after July 1, 1914, on giving three months' notice. With the money market in its present condition, and our borowings in consequence being upon a 4 per cent basis, it is not our intention to redeem this loan on July 1 next. Unless indeed there is a marked change in monetary conditions in the early future it is probable that this loan will run its full length to July 1, 1919. So much for our maturities, as to which the situation must be regarded as entirely satisfactory, there being no funded loans becoming payable for five years to come.

I have stated that notwithstanding that our estimates last year were exceptionally large, we have paid our way out of revenue so far as current and capital outlay are concerned. I have also stated that the net debt of the Dominion would be increased by practically the amount of our special outlays upon subsidies and other special accounts.

But while this is the case, our borrowings for the year were considerably greater than the amount by which the net debt of the Dominion has been increased. This was occasioned by the additional large expenditure which we were obliged to make upon investments which constitute a set-off to the increase in the gross debt which they render necessary. Let me recapitulate the special outlays and investments for which it was necessary to borrow during the past fiscal year:

Railway subsidies and other charges, $20,000,000; investment in Grand Trunk Pacific bonds, guaranteed by the Dominion, $12,872,333.27; Grand Trunk Pacific loan, $8,500,000; advances to Montreal and Quebec Harbour Commissioners, $5,312,000; total, say $46,684,333.27. Add loans matured $9,719,898; total $56,404,231.27.

In June, July and August last the London money market was most unfavourable for the issue of new permanent loans. The Balkan war, greatly disturbing in itself to all the money centres of the world and much more so by its menace to the peace of Europe, was still being waged, with the intermission of a futile truce, with the most relentless ferocity on the part of the combatants. While it held the stage there could be no settled financial conditions and no promise of amelioration of the worldwide stringency. In further aggravation, anarchy in Mexico became an additional and potent factor to trouble the exchanges and bourses of Great Britain and the continent. Many important issues of governments, states, provinces and municipalities, which had been obliged, owing to the adverse conditions, to resort to temporary borrowings to be met by funding operations, were overhanging the market awaiting a favourable opportunity for emission. In these circumstances, the Bank of England rate being 5

per cent, it was not considered expedient, during the months mentioned, to attempt to make a permanent issue, and resort was had to treasury bills, of which £1,000,000 were discounted on August 25, 1913, due February 16, 1914, at the rate of 4 15/16 per cent per annum.

In September further treasury bills were issued to the amount of £1,000,000 maturing March 16, half at 4½ per cent and the remainder at 4¾. On November 19, £1,700,000 of bills were discounted at 4⅝. These fall due on November 19, 1914. In all £3,700,000 of treasury bills were discounted during the year.

To meet the maturities I have previously referred to, amounting to about ten million dollars, and to provide additional funds for the special outlays of the Dominion, £3,000,000 of 4 per cent stock redeemable October 1, 1960, with the option of the Government to redeem the whole or any portion thereof in 1940 on giving three months' notice, was issued on September 25 at the price of 99 and on December 3 a further amount of £4,000,000 similar stock was issued at 97, making a total of £7,000,000 of permanent stock issued before the close of the calendar year 1913. Of the last mentioned loan £1,000,000 was used to redeem treasury bills due February 16, 1914.

To meet £1,000,000 treasury bills maturing March 16, to provide for the balance of the Grand Trunk Pacific loan amounting to $7,500,000 and to complete the purchases of Grand Trunk Pacific bonds guaranteed by the Government of Canada to the amount of about $10,000,000, it became necessary to issue a further loan of £5,000,000, of the same character as previous loans, which we were able to accomplish in the recent improved condition of the market at 99, two points in advance of the previous issue.

The purchase of Grand Trunk Pacific bonds has not only enabled the Dominion to make a substantial saving upon the amount it would otherwise have been obliged to pay in implementing to par the price which would be realized for these securities if sold as they would have been from time to time, but also has served to protect the credit of the country from the consequence of the issue of such low interest-bearing debentures upon the London market. There is the further fact that so far as the public are concerned our outstanding guarantees are less than they would have been by the amount of our purchases. From the London financial community I have heard nothing but commendation of the action of the Government in this regard. It should therefore be borne in mind in connection with our borrowing that no less a sum than $24,005,806 has been required so far to take up these bonds which are, of course, an asset in the treasury of the Dominion.

I think I may fairly set forth to the credit of the Government the fact that notwithstanding our heavy borrowings the net debt of Canada is less than it was when we took office and that guarantees of securities have been reduced so far as the outside world is concerned by over $24,000,000.

The House has long known that the Dominion, in common with all other Dominions of the empire, has been obliged to go upon a four per cent basis in the sale of its securities. The causes for the increase in the price that has to be paid for money have been frequently discussed and it is not necessary that I should go over the ground again. So far as I can see it will be some considerable time before there is likely to be even the prospect of a return to the lesser rates. However, no one's opinion upon a question such as this is of much value because rates of interest are dependent upon causes and conditions infinitely varied, complex and fortuitous, and not at all susceptible of forecast.

The rates of interest which we were obliged to pay on treasury bills and the permanent issues we have made were such as the stringent conditions of the year demanded. I am glad to be able to say that they were on the whole relatively low and that the Dominion still retains the premier place among the self-governing dominions so far as the price of her securities in the London market is concerned.

There has been a good deal of comment of a critical and sometimes of an adverse character upon the fact that the public has subscribed for only a small percentage of Dominion loans offered upon the London money market. The House is no doubt familiar with the mode of raising money by loan in that financial centre. The first step is to get our loan underwritten through our fiscal agent in London, and when it is underwritten it is a success so far as we are concerned, because our money is certain. The only object of underwriting and paying a commission to the underwriters is to ensure that if the public do not respond when the issue is made the underwriters will, to the extent that the public do not respond, take up the instalments as they mature. As I have said, when the loan is

4 p.m.

underwritten the money is secured. There has grown up in London of recent years a habit on the part of the public, particularly in connection with large government loans, of waiting until the lists are closed in the hope that the underwriters, being saddled with a large proportion of the loan, will be willing to sell at a small discount. For the information of the House and as illustrating that custom, to which I have referred as growing up in connection with government loans, I desire to place upon 'Hansard' the record of the past two years as to Dominion of Canada issues and issues made by other dominions of the empire.

Dominion of Canada loans:		
£5,000,000, Feb., 1912,	underwriters got	65 p.c.
£3,000,000, Oct., 1913	"	50 "
£4,000,000, Dec., 1913,	underwriters got	82 p.c.
£5,000,000, Feb., 1914	"	78 "
West Australia:		
£1,000,000, Feb., 1912	"	74 "
£1,000,000, Dec., 1912	"	44 "
£2,000,000, Apr., 1913	"	54 "
£1,000,000, Nov., 1913	"	70 "
Queensland:		
£2,000,000, July, 1912	"	89 "
£2,000,000, Jan., 1913	"	80 "
New Zealand:		
£4,500,000, June, 1912	"	85 "
£3,500,000, Oct., 1913	"	92 "
New South Wales:		
£1,500,000, Oct., 1912	"	52 "
£3,000,000, Mar., 1913	"	84 "
£3,000,000, Jan., 1914	"	90 "
Government of India:		
£3,000,000, Apr., 1912	"	87 "
Union of South Africa:		
£4,000,000, July, 1912	"	94 "
Tasmania:		
£1,300,000, Jan., 1913	"	85 "
Government of Victoria:		
£3,000,000, June, 1913	"	40 "
£2,000,000, Sept., 1913	"	53 "

On the other hand, I should point out that there were several issues made in January of this calendar year which were almost immediately over-subscribed, there being at that time a certain amount of speculation in connection with these gilt-edged securities due to the loosening up of money and the expectation that monetary conditions would be materially easier in the comparatively near future. After a sudden outbreak of speculative activity in gilt-edged securities, which resulted in a number of issues being over-subscribed in a day or two, the market has resumed its accustomed condition, and we have found the underwriters taking a large percentage of loans recently issued to the public.

The Debt of Canada.

In connection with the subject of our loans, a word as to the debt of Canada may not be out of place, especially as our borrowings have been made the subject of criticism for the most part entirely uninformed in certain of the British and Canadian press.

The Public Accounts for 1913 show the following figures relating to the debt of Canada:

	Total Debt.	Total Assets.	Net Debt.
1911..	$474,941,487	$134,899,435	$340,042,052
1912..	508,338,591	168,419,131	339,919,460
1913..	483,232,555	168,930,929	314,301,625

The year 1911-12 showed, therefore, a reduction in the net debt of $122,591.32, and last year a reduction of $25,617,835.03. This year we shall show an increase of $19,000,000, but notwithstanding this, the net debt of the Dominion will be over six million less than it was two years ago. Since Confederation there are shown in the Public Accounts only eight reductions in the net debt of Canada, of which two belong to the present regime.

Of the total debt the amount of the funded debt payable in London on March 31 of last year was $258,679,819. This amount has since been increased by about fifty-eight million dollars for the purposes I have mentioned. The balance of the total debt is represented by small funded currency debts payable in Canada amounting to $2,190,767; Dominion notes to the amount of $112,101,885 for which, save as to the amount of $22,500,000, the Dominion holds dollar for dollar in gold; savings banks deposits of $57,140,483 for which ten per cent in gold is held; provincial notes $39,220; compensation to seigniors, $38,091; trust funds, $15,167,803; province accounts, $11,920,481, and miscellaneous accounts, $25,954,002. The assets of the Dominon which are deducted from the gross to ascertain the net debt, were at the end of last fiscal year as follows:

Sinking funds..	$ 13,737,567
Investments..	43,885,324
Province accounts	2,296,327
Miscellaneous accounts ..	109,011,709

In the last named account is included specie amounting to $98,725,822.

Financial Conditions.

Looking back upon the year 1913, it is apparent that the whole world passed through one of those severe financial crises with which the student of economics is familiar as regularly recurring phenomena in the financial world. The Balkan war, while immediately responsible for the critical conditions which developed, probably disclosed rather than caused the situ-

ation. World-wide expansion in trade, unprecedented demand from all parts of the world upon the loanable capital in the international financial centres, the constantly increasing expenditures upon militarism and armaments, the exhausting wars of the past few years, personal and public extravagance, speculation and price inflation, all co-operated to bring about the financial conditions under review. The banking community, always first to sense approaching money-scarcity, took precautions well in advance, curtailing credits and limiting the commitments of their customers. Liquidation was forced throughout the world, with the result that at length, about the end of last year, the money supply was more nearly equalized to demand. Since the turn of the year the Bank of England rate has fallen to three per cent, and the outlook for easier money conditions appears much more favourable than at any time during the past two years.

Our own financial institutions stood the strain well. As evidencing their ability to cope with unusual emergency, I need only refer to the ease and celerity with which the financing of the western harvest was accomplished under the arduous monetary conditions of last fall. So far as the financial stringency is concerned, we may consider that the worst is over. From this time forward until the culmination of the next economic cycle, we are, on the experience of the past, justified in looking for much more normal monetary conditions. For the immediate future it must not be forgotten that vast refunding operations must still be carried out in London, Paris, and other centres, making heavy demands upon the money supply available. During the past year there was much criticism of Canadian borrowing. Some of this criticism was just, most of it unjust, but perhaps not blame-worthy under the trying conditions which beset the London market. The criticism which I describe as unjust regarded not at all the question of the security offered nor the price at which the company, municipality, province or Dominion offered its securities, but only the fact that money was being sought. On the other hand, it was realized by all sensible financial men and journals that a borrowing country such as Canada, in the midst of a vast constructive epoch in her history, could not suddenly discontinue her borrowings without the most serious risk of loss to British and other investors who have so freely furnished the capital for railway and industrial undertakings which must be finished to be productive. On the whole, Canada received generous treatment at the hands of British capital last year. More money was borrowed than in any previous year, but it is probable that a very substantial part of the total was devoted to the liquidation of floating indebtedness or Treasury bills negotiated at an earlier date.

When we consider, apart altogether from its physical resources and its economic strength as a community, the great public works owned and paid for by the Dominion —its canals, railways, including the Intercolonial and the now almost completed National Transcontinental—it can be affirmed with certainty that the national debt of Canada has been kept within very moderate bounds indeed.

Trade.

The trade of Canada, as measured by the aggregate of the total imports and total exports, reached in 1913 the record figure of over one thousand million dollars. In the Budget of last year I called attention to the fact that during the last three years the total imports had increased at a very much greater ratio than the exports, and that the marked difference between the amount of the imports and the amount of the exports in 1913 had evoked criticism on the part of some who put forward the view that we might expect to be drained of our gold if the condition continued. I pointed out at the time that Canada was a large borrower of capital required for the construction of our transcontinental railways, of great public works, for industrial and commercial enterprise, and for the municipal services of our rapidly growing communities. Expenditure of this kind is of a capital nature, and money borrowed for the purpose of making it is loaned, not upon terms of immediate repayment, but for investment. As a great part of our imports represented our borrowings, and found their way into works and undertakings of the character mentioned, it is obvious that the situation was very different from what it would have been had all our imports been for immediate consumption, in which case the adverse balance of trade would have been fraught with serious consequences, if indeed it would have been possible for it to exist at all. The question then was whether Canada would be in a position to pay with her exports not for all her imports, but such only as did not represent capital bor-

rowed abroad for productive undertakings and interest upon her borrowings, past and present. Keeping this distinction in view, and the further fact of the vast amount of capital and effects reaching the Dominion by immigration, it became apparent that the adverse balance of trade gave rise to no cause for alarm. But, while this was so, it is a gratifying feature of the trade of 1913-14 that the exports have increased in a marked ratio, and that the excess of imports over exports, which characterized the previous year, has been materially cut down. While in 1912-13 the percentage of the value of imports to the aggregate trade was nearly 64 per cent up to the end of February, 1913, the percentage of imports to the aggregate trade for the eleven months ended February 28 last was over 57½ per cent, or about the same proportion as in the year 1908. The increase in exports, as shown in the following table, while chiefly in agricultural products, will be found to apply to the products of mines, fisheries, forests, animals and their products and manufactures.

Value of Goods Exported (by classes) from the Dominion—Merchandise only (Canadian Produce).

Fiscal Year.	The Mine.	The Fisheries.	The Forest.	Animals and their Produce.
	$	$	$	$
1908	39,177,133	13,867,368	44,170,470	55,101,260
1909	37,257,699	13,319,604	39,667,387	51,349,646
1910	40,087,017	15,663,162	47,517,033	53,926,515
1911	42,787,561	15,675,544	45,439,057	52,244,174
1912	41,324,516	16,704,678	40,892,674	48,210,654
1913	57,442,546	16,336,721	43,255,060	44,784,379
11 months ended Feb. 28, 1914	52,469,690	19,153,286	40,097,151	50,147,059

Fiscal Year.	Agricultural Products.	Manufactures.	Miscellaneous.	Total.
	$	$	$	$
1908	66,069,939	28,507,124	67,674	246,960,968
1909	71,997,207	28,957,050	54,931	242,603,584
1910	90,433,747	31,494,916	125,161	279,247,551
1911	82,601,284	35,283,118	285,815	274,316,553
1912	107,143,375	35,836,284	111,676	290,223,857
1913	150,145,661	43,692,708	97,311	355,754,386
11 months ended Feb. 28, 1914	191,707,483	51,204,162	108,617	404,887,448

Notwithstanding the fact that during the current fiscal year Canada has been experiencing with the rest of the world a severe strain upon commercial credits, owing to the financial stringency to which I have previously adverted, I am pleased to be able to announce that the trade statistics for the year will exceed those of last year, when they reached the record figure of over one billion dollars. For the eleven months ended 28th February, 1914, the total imports amounted to $597,420,545, and the total exports to $440,631,104, or a total of $1,038,051,649. With the figures for March added, the record of last year will be substantially exceeded. I place upon 'Hansard' in tabular form the comparative figures since 1908:

Total Trade of Canada with all countries (including coin and bullion).

Fiscal Year.	Total imports.	Total exports Canadian and foreign produce.	Aggregate trade.	Percentage of value of imports with aggregate trade.
	$	$	$	%
1908	370,786,525	280,006,606	650,793,131	56·97
1909	309,756,608	261,512,159	571,268,767	54·22
1910	391,852,692	301,358,529	693,211,221	56·52
1911	472,247,540	297,196,365	769,443,905	61·37
1912	559,320,544	315,317,250	874,637,794	63·94
1913	692,032,392	393,232,057	1,085,264,449	63·76
11 mos. ended Feb. 28, 1914	597,420,545	440,631,104	1,038,051,649	57·55

It will be of interest to the House if I show the percentage of value of imports with aggregate trade, because the question of balance of trade has been so much discussed in Canada and Great Britain. In 1908 the percentage of value of imports with aggregate trade was 56.97 per cent; in 1909, 54.32 per cent; in 1910, 56.52 per cent; in 1911, 61.37 per cent; in 1912, 63.94 per cent; and I have shown that this year the percentage has fallen to 57 per cent, which was about the rate in 1908.

I also present for the information of the House a table showing the aggregate of our imports and exports from and to the United Kingdom and the United States:

Trade with United Kingdom—Merchandise only.

Fiscal Year.	Imports for Consumption from the United States.	Exports to the United States, Canadian and Foreign Produce.	Aggregate Trade.
	$	$	$
1908	204,648,885	96,920,138	301,569,023
1909	170,056,178	91,022,387	261,078,565
1910	217,502,415	110,614,327	328,116,742
1911	274,844,858	112,208,676	387,053,534
1912	330,428,502	112,956,295	443,384,797
1913	435,783,343	150,961,675	586,745,018
11 mos. ended Feb. 28, 1914	361,948,599	161,203,378	523,151,977

Indicating that there will be a falling off in the imports to Canada from the United Kingdom.

There has been a very large increase of exports to the United Kingdom from Canada during the past fiscal year.

Now, I have some figures showing the trade between Canada and the United States of America. I may say for the information of the House that Canada is the second customer of the United States to-day. The largest part of the export trade of the United States is with Great Britain and the second is with Canada. On the other hand, Canada is fifth in her sales to the United States, coming, I believe, even after Cuba as far as the figures of the United States disclose. The following table shows the imports from and exports to the United States:

Trade with United States—Merchandise only.

Fiscal Year.	Imports for Consumption from the United Kingdom.	Exports to the United Kingdom Canadian and Foreign Produce.	Aggregate Trade.
	$	$	$
1908	94,417,314	134,477,124	228,894,438
1909	70,682,101	133,745,123	204,427,224
1910	95,336,427	149,630,488	244,966,915
1911	109,934,665	136,962,971	246,897,636
1912	116,906,212	151,833,379	268,739,591
1913	138,652,198	177,982,002	316,634,200
11 mos. ended Feb. 28, 1914	120,819,158	214,632,520	335,451,678

There was a falling off in our imports from the United States in the past year, as there was in our imports from Great Britain. On the other hand, as in the case of Great Britain, our exports to the United States substantially increased. I think the increase is due, in large measure, to the Underwood tariff, which has placed live stock, dairy and certain other farm products, fish, manufactures of lumber, and other natural and manufactured products of Canada, upon the free list.

An hon. MEMBER: What is the aggregate trade with the United States?

Mr. WHITE: The aggregate trade with the United States in the year 1912 was $443,384,797, in 1913 it was $586,745,018, and for the eleven months ended February 28, 1914, it was $523,151,977.

Mr. A. K. MACLEAN: Will the minister give the increased exports to Great Britain this year over last year?

Mr. WHITE: In 1913 the exports to Great Britain were $177,982,002, and, for the eleven months ended February 28, 1914, our exports were $214,632,520. I am of the view that a large contributing cause to the result was the export of our wheat. It will be recalled by the House that the western harvest was exceptionally early last year and, as I have stated before, it was moved to market with great celerity and despatch.

Immigration.

I turn now to the statistics of our immigration. It is gratifying to know not only that the stream of new settlers continues to flow into the Dominion, but that there is also apparent from year to year a marked improvement in the class arriving due to restrictive regulations. The arrivals for the past five fiscal years and eleven months of the present fiscal year have been as follows:

Fiscal Year.	Great Britain and Ireland.	Other Countries except United States.	United States.	Totals.
1908-09	52,901	34,175	59,832	146,908
1909-10	59,790	45,206	103,798	208,794
1910-11	123,013	66,620	121,451	311,084
1911-12	138,121	82,406	133,710	354,237
1912-13	150,542	112,881	139,009	402,432
1913-14 (11 mos.)	136,699	128,933	97,406	363,038

For the whole fiscal year 1913-14 the total immigration will likely reach 390,000; that is four times the population of our smallest province or enough persons if settled in a community to make thirteen constituencies according to the present unit of representation.

For the calendar year 1913 the total immigration to Canada was 418,909, divided into 156,984 from the British Isles, 115,751 from the United States and 146,174 from other countries. According to official estimate the value of effects together with the capital brought in by these immigrants would exceed the sum of $100,000,000. This is, however, the least important part of their contribution, the most valuable as a national asset being the energy, intelligence and character which they bring to the upbuilding of the nation.

Fiscal Year 1914-15.

I now approach consideration of the fiscal year which commenced on April 1. Preliminary to such consideration it may not be out of place to make some brief observations as to prevailing business conditions in Canada and elsewhere. There is no doubt that the severe and prolonged financial stringency through which the business world has passed and from which it is only now emerging marked the culmination of one of those so-called trade cycles well known to economists. The phenomena of these cycles are well known. First a surplus of loanable capital attended with easy money conditions and low interest rates, next commercial activity promoted and sustained by abundant supplies of such capital resulting in profitable trade and rapid extension of enterprise, next, in consequence of such rapid extension, an undue proportion of the money supply of the world finding its way into fixed capital, then shortage of liquid resources among financial institutions, followed, as a matter of necessity in order to rectify conditions, by advancing rate of interest with curtailment of credit and consequent restriction of trade. When this last condition is reached and has prevailed for such time as is necessary to permit of the accumulation of loanable capital in sufficient surplus to bring about easy interest rates another cycle, such as I have described, after a more or less prolonged commercial pause during which confidence is being gradually regained, is entered upon at its beginning. Viewing world-wide conditions during the past few years it is apparent that such a period has been passed through. We have seen normal money conditions, good times throughout the world, the expansion of enterprise, vast increase in capital expenditure upon railway and other construction in Asia, India, Egypt, and in North and South America. Last year there was experienced a shortage of capital in all the financial centres with constantly increasing interest rates until, after a period of prolonged and severe liquidation and the elimination of vast amounts of inflated values, something like normal money conditions again prevail. The world is now in a period of general but it is to be hoped

temporary trade slackening. Without such slackening the financial stringency must have continued. The trade slackening alone could bring it to its appointed end.

The conditions I have referred to are world-wide. We are particularly interested in those of Canada. Our production has shown a most gratifying increase in all the great departments of our national activity. As I have previously shown, in foreign trade this has been our greatest year. What is the present outlook? Bankers and business men unite in the opinion that while it is a time for prudence and caution it is also a time for confidence and courage. The strength of Canada lies in her vast natural resources. That is the rock upon which our prosperity is soundly based and founded. Any depression, generally speaking, can be but temporary in character until such time as normal money conditions, joined with business confidence, again restores the wonted activity of the nation. While this is so we must not close our eyes to the fact that we have been passing through a period of considerable inflation. Our railway policy has resulted in the construction of two vast new systems within the past dozen years. Construction upon the main lines of these systems is nearing completion. It must, however be borne in mind that railways are never completed, are always building and rebuilding, always extending their branches and feeders. I do not therefore look for any abrupt cessation in connection with our railway construction. There has been in real estate throughout Canada a long-expected set-back in values of speculative suburban properties. On the other hand the values of farm and central business and residential city properties are generally speaking not only being maintained but will undoubtedly with the growth of the Dominion tend to appreciation. On the whole the readjustment which is going on in real estate conditions throughout Canada is recognized as inevitable and salutary. Commercial prospects for the immediate future seem to me to be encouraging. Conditions will, I think, gradually improve with returning confidence and easier money. By reason of the autumn conditions of last year which permitted soil preparation on an unusual scale in all parts of the Dominion, the outlook for agricultural production this year is most favourable and we may look forward to increased production in those other great departments, our fisheries, forests and mines.

Dealing now with the Budget aspects of the year, the main estimates for the fiscal year 1914-15 have been before the House since January. For the outlays on account of Consolidated Fund there is a total appropriation of $146,786,126, and for capital $43,949,050. There will be Supplementary Estimates presented later during the present session, but it is not expected that they will be of large amount. In view of decreasing revenues, which were to be apprehended in a year such as this on the analogy of 1908, which followed the financial stringency of 1907, it has been considered advisable that the Estimates should be kept within as reasonable bounds as possible, having regard to the needed requirements of the country as to public services and national undertakings in progress or necessary to be begun forthwith.

In considering the matter of Estimates as compared with revenue it must be kept in mind that appropriations do not always mean expenditure, partial or complete, and that on the experience of the past it may be confidently predicted that a considerable portion will be unexpended and lapse.

The revenue for the present fiscal year will reach about $163,000,000. The amount of revenue we shall receive during the coming year will depend very much upon the trend of business throughout Canada. We have experienced a considerable falling off during the past few months but it is my expectation that these declines will with the coming of spring be relatively smaller and my hope that next fall we may regain the losses, if any, of the earlier part of the year. In any event I think I may say with confidence that the revenues of the coming year will provide fully for Consolidated Fund expenditure and in large measure for all capital and special outlays.

Tariff.

I now proceed to the consideration of certain matters relating to the tariff. In my Budget of last year I enunciated the general principle that alterations in the schedules of the tariff should be sparingly made if at all until the period has arrived for a general revision. I said also that to give this principle rigid and inflexible application would lead to occasional public detriment and inconvenience. I further stated that having regard to the then prevailing conditions of the Dominion and the fact that there is always a delicate adaptation of business to the rates of the tariff

there was a general consensus of opinion that any thing in the nature of an extensive revision of the tariff was not called for by existing conditions and would be contrary to public interest. This general statement holds good to-day as it did a year ago but on account of changing conditions affecting certain industries it has become necessary to make a number of changes, modifications and adjustments, some of a rather important character.

Before taking these up in detail I desire to affirm the adherence of the Government to a fiscal policy of reasonable protection to Canadian industries including of course the great basic industry of agriculture. That policy is the historic National Policy of Sir John Macdonald, inaugurated by him and continued by his successors in office down to the present time. We believe it is the best, indeed the only and in a sense the inevitable policy for Canada, situated as it is geographically and in the existing fiscal conditions of the world to-day. Under that policy Canada has prospered in the past and will continue to prosper in the future. We believe it to be the true policy for Canada and for every part of it if we are to regard as desirable stable business conditions and a deversified national life throughout the Dominion. It means the development of our natural resources, the maintenance and extension of our industries, a fair wage standard for our artisans and a stable and profitable home-market for our farmers, thus justifying its name as a national policy—a policy in the interests of the nation as a whole. The evils of a high protective tariff are too well known to make it necessary that I should discuss them here. The tariff of Canada has not been a high tariff but one affording a moderate degree of protection only. The best evidence of this is to be found in the fact that our tariff of to-day imposes an average rate of duty upon dutiable goods of about twenty-six per cent whereas the Underwood Tariff of the United States which was designed to substantially cut down the protective duties of the Payne-Aldrich Tariff has been authoritatively represented as imposing an average duty upon dutiable goods of about the same percentage as ours of to-day.

While making this declaration of reaffirmation of fiscal policy I do not wish to be understood nor do I wish the National Policy to be understood as laying down the proposition that individual duties may not with changing conditions be lowered or abolished when circumstances warrant or the public interest so requires.

Duty upon Wheat and Flour.

A matter which has engaged during the year the careful attention of the Government has been the so-called question of 'free wheat,' which has been so much discussed in the West and throughout Canada. The Underwood Tariff of the United States which came into effect on October 3, 1913, provides by item 644 that wheat, wheat flour, and semolina and other wheat products shall be entered free of duty from countries which do not impose a duty on wheat or wheat flour or semolina imported from United States; otherwise the duty upon wheat is fixed at 10 cents per bushel and upon wheat flour at 45 cents per barrel and upon semolina and other products of wheat 10 per cent ad valorem.

It is clear, therefore, that if Canada should place wheat, wheat flour and semolina upon the free list our wheat and wheat products would gain free entry to the markets of the United States.

The Government has heard influential deputations and received many representations upon both sides of the question. On the one hand, it is contended that the price of wheat at the great milling centre of Minneapolis is frequently or rather usually higher by several cents per bushel than it is at Winnipeg and that the western wheat-grower would, in the event of wheat having free entry into United States, get the advantage of the higher price. Particularly is it pointed out that the 'spread' in price prevails at certain seasons of the year when the farmer needs to sell his grain and that it is most marked in the case of wheat of poorer quality for which the demand for export to Great Britain is comparatively limited. It is also put forward that with 'free wheat' the western agriculturist would be benefited by the development of further competitive shipping facilities.

As against these contentions it is represented that the higher price at certain seasons at Minneapolis is due to local demand on the part of the milling industry there for hard wheat to mix with the softer varities for the manufacture of flour; that such demand is limited and that consequently in the event of free entry of our wheat to the American market the tide of our hard wheat descending upon Minneapolis would at once equalize prices on both sides of the line. It is further argued that as both Canada and the United States are wheat-exporting countries the export price at Liverpool governs and would continue to govern, subject to freights and other charges, the price of wheat in Canada and the United States.

The opinion has also been expressed that free entry of wheat to United States would be a detriment rather than an advantage to the grain-growers of western Canada on the ground that by reason of mixing in United States his wheat would lose its identity and consequently its higher value in the world market.

Representatives of the milling interests of Canada have protested strongly against the abolition of the present duty of sixty cents per barrel upon flour. They point out that the materials entering into the construction of their buildings, their plant and machinery are all subject to duty, and that with the abolition of duties upon flour they would be in a worse position than under a system of national free trade. They contend that by reason of the geographical situation of the United States wheat fields and the climatic conditions which give the American miller the benefit of both early and late wheat, he enjoys an advantage over them which would speedily give control of Canadian markets to the milling interests of the United States. They claim also that placing flour on the free list would have the effect of limiting or preventing the extension of the milling industry into the Northwest. They urge as a further important consideration that there is no such guarantee of permanence of the Underwood tariff provisions to which I have referred as to justify them in making the costly attempt to create a market for their higher grade flour in the United States in competition with the highly specialized and powerful milling industries which now control the field. Representatives of the mixed farming agricultural community have put forward the view that bran and shorts, the by-products of flour milling, are essential to the live stock industry, upon which all successful agriculture must ultimately depend, and they counsel against any step which might close or limit the output of our mills upon whose operation mixed farming so much depends. They point out further that offal is dearer in United States than in Canada, and that the removal of the duty would equalize prices on both sides of the line to their disadvantage.

So much for these opposing arguments and contentions. Speaking generally it is not advisable that a nation's tariff should be so arranged as to fit into the particular features of that of another nation. This, however, would not be a conclusive reason for not making a change clearly in the national interest. In addition to the weight of the arguments which have been presented against the proposed tariff change, and to which I have alluded, it must be borne in mind that Canada has at present nearing completion two transcontinental lines of railway in addition to the Canadian Pacific, which have cost hundreds of millions to construct, and whose purpose and object is to carry the grain of the West to the markets of the world and the products of the East to the consumers of the West. The Government of Canada is also building a railway to Hudson Bay, with the object of gaining a shorter route to Great Britain and consequently lower freights to the western grain-grower. On the Pacific coast we are spending vast sums to be prepared for the opening of the Panama canal.

Having regard to all these considerations, we have been unable, after having given the question most painstaking attention, to bring ourselves to the view that so great a change, involving by possibility such serious consequence, should be favourably considered until at least we are more certain as to the outcome of our vast railway development and the result to the western grain-grower of the opening of the competitive routes which will be afforded by the Hudson Bay railway and the Panama canal. It is surely the part of wisdom to await the outcome of these developments rather than to take a step now which might involve the risk of grave and irreparable injury to our milling industry and by consequence to our live stock industry and to our transportation systems through the diversion of traffic to routes other than Canadian. In the meantime, realizing the economic conditions surrounding grain production in the West and the supreme and vital necessity that the net price of his grain to the farmer should be as high as the circumstances of storage facilities and rail, lake and ocean transportation will by possibility permit, the Government will continue to devote itself to the solution in the interests of the grain-grower of the question of rates of elevator companies, railway and steamship companies and other agencies whose aggregate of charges take, under present conditions, such a formidable toll from the price at which the product of western grain fields sells on the world-market at Liverpool.

Iron and Steel Industry.

During the past two years the condition of the iron and steel industry of Canada

has from time to time been brought to the attention of the Government, and it has been suggested that further aid or additional protection should be granted to it by a continuance of bounties or an increase in the tariff upon its products. Before dealing with the subject further I might be permitted to make some general observations as to the industry itself and the matter of bounties and duties upon iron and steel products. Great efforts have been made in the past by bounties and protective duties to develop and promote this industry. From 1896 to 1910 alone sums aggregating at least fifteen million dollars were paid out by way of bounties upon the production of pig-iron, steel billets and other steel manufactures. In 1910 the legislation providing for bounties came to an end and was not renewed by the late Government, who were evidently of the view that the iron and steel enterprises at Sydney and elsewhere, which had been called into being or had been promoted by such liberal outpouring of public moneys, should with the protection afforded by the tariff be able to continue and prosper without further direct aid from the public treasury. Since the date in question the bounties have not been renewed although the matter on more than one occasion has been brought to the attention of the Government. There is no doubt that among a large portion of the public there is a decided objection to the principle of bounties. My own view is that bounties are justifiable to call into being new industries where capital which is always timid as to experimental ventures requires special inducement to enter upon their development, but after such enterprises have been called into being and firmly established it is difficult to justify further aid of a direct character.

Speaking generally with regard to the iron and steel schedule of the tariff, it is my view and I believe it has been the view of most at least of my predecessors in office that the tariff upon pig-iron and billet steel, which are the raw materials to such a wide variety of industries, should be of moderate amount only. To raise the existing duties on these products would necessitate an increase of duty upon nearly all the products into which they enter as material. These would embrace all agricultural implements, all foundry and machine manufacturers' products, stoves and a multitude of other articles in general use whose price would be raised to the consumer. The difficulties in the way of increasing the duties upon pig-iron and billet steel will be apparent to all and requires no further demonstration. So far as the more finished articles of production are concerned, with the exception of wire rods, about which I shall speak later, the range of protection extends from 25 per cent to 35 per cent, and it must be borne in mind that the larger plants use the whole or the greater part of their pig-iron and billet steel in the production of these more finished articles. During the past two years, 1912 and 1913, the steel companies, speaking generally, enjoyed a prosperous trade. The enormous amount of construction and especially railway construction going on throughout Canada afforded a wide market for their products of all varieties. Particularly was there activity in steel rail production at good prices, two of the larger plants devoting almost their entire efforts to this line of manufacture. Following the financial stringency of last year there has come somewhat of a check, but as railroad building and rebuilding must always continue the outlook for the coming year and for the future in this regard must still be considered as good. It is a fact, however, that conditions have changed to this extent that the demand for steel rails is not likely to be as great in the near future as in the recent past, and the steel plants must now consider a variation in output to meet the changing conditions.

Now, I have certain proposals to make with reference to the items in the iron and steel schedules of the tariff. Item 379 of the tariff provides that rolled iron or steel beams, channels, angles and other rolled shapes weighing not less than thirty-five pounds per lineal yard have a tariff duty of $2 British preferential, $2.75 intermediate and $3 general, per ton. The House will observe that these rates are confined to what are called merchant mill products, weighing not less than 35 lb. per lineal yard. By item 377, in which the same products are included, n.o.p., the tariff is $4.25 preferential, $6 intermediate, and $7 general. That is to say, upon the smaller merchant mill products up to 35 lb. per lineal yard, the duty is $4.25 British preferential, $6 intermediate and $7 general, whereas upon the heavier products weighing over 35 lb. per lineal yard, the tariff rate is $2 British preferential, $2.75 intermediate and $3 general. That distinction was made at the time the present tariff was enacted, because the larger merchant mill products were not manufactured in Canada. They are not made in Canada in large tonnage to-day, but representation has been made to the Government by the Algoma Steel Company and by other com-

panies that if the tariff rates which now prevail in respect of the less heavy products be extended to the heavy structural merchant mill products, they will be able to obtain capital for the erection of larger merchant mills capable of producing products of a weight of 120 lb. per lineal yard. They do not ask that a rate of that kind should become immediately effectual, they ask that authority be taken by the Governor in Council to put into effect and operation those higher rates as soon as the Governor in Council is satisfied that the heavier merchant mill products of 120 lb. per lineal yard can be manufactured in Canada. The House will remember that that course was followed in connection with the tariff on steel rails; it was tentatively put on at the rate of $7 a ton until the Government was satisfied that steel rails could be manufactured in substantial quantities in Canada. We propose, therefore, to take authority to bring the tariff in respect of merchant mill products up to 120 lb. per lineal yard at the rate that I have mentioned into effect when the Government is satisfied that those products can be manufactured here in substantial quantities.

Sir WILFRID LAURIER: What are the rates?

Mr. WHITE: The rates will be those which now prevail in respect of lighter products, namely, $4 25, $6 and $7 per ton.

The Government has been requested upon many occasions during the past two years to impose a duty upon wire rods. Wire rods, which are the raw material for the production of wire nails, drawn wire and other products, are at present on the free list. There are two mills in Canada to-day manufacturing wire rods, one at Sydney, and one at Hamilton. The Dominion Iron and Steel Company has invested about $1,000,000 in a wire rod mill, which, I believe, is not fully devoted to wire rod production. The Steel Company of Canada has a wire rod mill at Hamilton which has cost them, I believe, in the neighbourhood of $750,000. The capacity of the Sydney mill—that is to say, the mill of the Dominion Iron and Steel Company—is 100,000 tons a year, and the capacity of the Hamilton mill—that is, the mill of the Steel Company of Canada—is 75,000 tons a year. Both these mills are at the present time, and have been for some time past, only in partial operation; indeed, the mill of the Dominion Iron and Steel Company has, I believe, always been in only partial operation. The importations of wire rods for the year 1913 were 92,000 tons. The demand in Canada is from 150,000 to 200,000 tons. Wire rods are imported chiefly from the United States and Germany. The price in Pittsburg to-day is about $25 per long ton. As the House is aware, depressed conditions exist to-day in the iron and steel industry of the United States, and this accounts, no doubt, for the comparatively low price at which wire rods are selling in Pittsburg. The price of wire rods at Pittsburg, plus freight to, let us say, Hamilton, is less than the average factory cost of production in Canada. As I have stated to the House, I have been approached on many occasions during the past year by the two large steel companies, who have made representations that they are ready to supply wire rods to meet the entire demand of the people of the Dominion of Canada, and that their mills are only in partial operation because of the very large tonnage which is being imported at prices which, as I have said, are lower than the average cost of production in Canada. They have asked the Government for a moderate degree of protection, setting forth that theirs is an important industry; that their product is on the free list and that they are entitled, on a fiscal policy of reasonable protection to Canadian industries, to such a tariff as will enable them to compete in fair terms for the market of Canada with the steel manufacturers of the United States, Germany and other countries. It is only fair to the House that I should say that this request upon the part of the large steel companies, the Dominion Iron and Steel Company and the Steel Company of Canada, has been opposed by the nail makers other than those two companies.

5 p.m.

I should explain to the House that these two companies of which I have spoken manufacture not only wire rods but also wire nails, which are a product of wire rods. The wire nail makers, whom I shall call in the course of my remarks the smaller nail makers, because their combined output is much less than the combined output of the two large companies, urged that the two steel companies which manufacture wire rods and also nails are in competition with them in respect of their nail product. The smaller nail makers to whom I have referred have factories in Montreal, Toronto, Collingwood, Hamilton, Owen Sound, Winnipeg, Vancouver, St. John and other places. They expressed the fear, in connection with the

application of the two large companies for a productive tariff on wire rods, that the price of their raw material might be enhanced to them, and that the larger companies, under such circumstances, might be able to undersell them in their finished product, that is wire nails. I may say that the two large steel companies are the largest producers of nails in Canada. The capacity of Canadian production is 1,500,000 kegs per annum. The Dominion Iron and Steel Company and its allied company, the Pender Company of St. John, produce 17 per cent of that output, and the Steel Company of Canada about 52 per cent, leaving about 30 per cent as the annual production of the smaller nail makers of Canada, the other firms to which I have alluded. I have said that the Dominion Iron and Steel Company and the Steel Company of Canada have urged that they are entitled to a moderate degree of protection upon their finished product, wire rods. At this stage it is proper for me to say that the tariff upon wire nails is 60 cents per keg, an average duty of about 30 per cent; so that the nail manufacturers are protected by a duty averaging about 30 per cent, whereas wire rods are upon the free list and enjoy no protection whatever. The two large companies, the Dominion Iron and Steel Company and the Steel Company of Canada, allege that it is their object to sell rods and build up their Canadian business, and that the granting of a duty would not injure any interest in Canada and by no means injure those engaged in nail making. The Government have given full consideration to the opposing views. We have reached the conclusion that the apprehension on the part of the nail making firms who have opposed the granting of a duty is not well founded. We believe it is in the interest of the nail making industry as well as the wire rod industry that a duty should be imposed. I do not believe for a moment that any attempt will be made to take any unfair advantage of the smaller nail manufacturers, but if any unfair advantage should be taken or any oppressive course of conduct exercised towards the purchasers of wire rods, the Government have, of course, the right and the power under the Customs Act, at any time they think it expedient, to lower the duty upon wire rods. We believe that it is most desirable that the important industry of wire rod manufacturing should be firmly established in the Dominion of Canada. This can only be done by a protective tariff on wire rods. To refuse the duty asked for would be to determine that from this time forward Canada should be dependent for wire rods upon foreign manufacturers. This alternative the Government does not feel that it should assume the responsibility for accepting. I have to propose, then, a duty of $2.25 British preference; $3.50 intermediate tariff and $3.50 general tariff, upon wire rods I may add that in connection with this imposition of duty no adjustment will be required; there will be no increase of duty on wire or on nails which are the product of wire rods.

There is another matter to which I wish to draw the attention of the House. At present wire rods are on the free list. Wire rods enter into the production of wire used in wire fencing. Wire fencing is used by the farmers of Canada. I propose to recommend to the House that a drawback shall be granted in respect of the duties which I shall propose upon wire rods used in the manufacture of wire of 9, 12 and 13 gauges for wire fencing.

I desire to call the attention of the House to section 288 of the Customs Act. That section relates to drawbacks of duty paid on goods exported. The House is no doubt aware that if a Canadian manufacturer exports a product from Canada he is entitled to a drawback in respect of duty paid upon the imported raw material entering into the manufacture of such exported product. Regulations have been established by Order in Council under authority of section 288 of the Customs Act to which I have referred. But a curious anomaly exists in connection with the administration of the drawback regulations, which has been a very serious detriment to the iron industry of Canada. The amendment which I have to propose has as its object the enabling of a drawback to be paid on pig-iron used in articles exported, but not exceeding the quantity imported and entered for duty. The explanation of the necessity for the amendment is as follows:

When manufacturing the same article for export and for home consumption it is found impracticable to keep the melts of foreign and domestic iron separate, so that only foreign pig iron will be used in the article exported and domestic pig iron in the like article for home consumption; so that a mixture of pig iron occurs in the course of the manufacture of other articles

made from pig iron. The proposed amendment is designed to enable drawback to be paid to the extent of the weight of pig iron used in the exported article, but not in excess of the quantity imported and on which duty has been paid. Let me illustrate by a concrete example. A manufacturer of agricultural implements requires, let us say, 30,000 tons of pig iron in respect of his entire business, both home and foreign, during the year. Let us say that his export business is 10,000 tons of product. Now, it was the intention of the section of the Customs Act which I have read, and the regulations made thereunder, that that manufacturer should be able to obtain a drawback in respect of the duties upon the foreign pig iron entering into the 10,000 tons of product exported. Let us further suppose that of the 30,000 tons of pig iron purchased our manufacturer buys 10,000 tons from the United States and 20,000 tons in Canada. They are melted up together, and when he claims his drawback in respect of the 10,000 tons of exported product, the customs officers, under the authority of this statute, are only able to give him a drawback of one-third the duty upon the 10,000 tons of imported foreign pig iron. The reason for that is that the 20,000 tons of domestic pig iron which he had purchased are melted together with the foreign pig iron. The customs officers say that it cannot be demonstrated that the 10,000 tons of American pig iron went into the 10,000 tons of manufactured product. Therefore, they say, we will not allow you a drawback in respect of the 10,000 tons of pig iron which you have imported from the United States; we must assume that only one-third of that went into the 10,000 tons of exported product; and we shall allow you, therefore, one-third of the duty which you paid on the 10,000 tons. The result is that Canadian manufacturers who manufacture for export have a special inducement to buy all their pig iron from abroad. If the manufacturer whose case I have taken had bought the whole 30,000 tons of pig iron from the United States, no question would have arisen with the customs officials. He would have been entitled to a drawback in respect of the amount exported. The pig iron industry of Canada has suffered by reason of the inducement which is held out to manufacturers under the drawback regulations to purchase all their requirements in the way of pig iron in the United States. We propose to remedy that, and on behalf of my hon. friend the Minister of Customs (Mr. Reid) I beg to give the following notice of motion:

Resolved, that it is expedient to provide that the Governor in Council may, under regulations made for the purpose, allow, on the exportation of goods manufactured in Canada and into the manufacture of which pig iron imported into Canada mixed with pig iron made in Canada has entered, a drawback, equal to the duty paid, less such deductions therefrom as is provided in such regulations, on all the pig iron imported and used by the manufacturer of such goods in manufacturing the goods exported and other goods, and the drawback may be computed on the total quantity of pig iron, including pig iron made as aforesaid, entering into such exported goods.

Mr. GERMAN: That will cover all imported pig iron?

Mr. WHITE: If 10,000 tons of pig iron come in and are purchased by a manufacturer who exports 10,000 tons of pig iron in his exported product, he will get a drawback in respect of the duty paid upon the entire 10,000 tons imported.

Sir WILFRID LAURIER: Will my hon. friend give us the text of the present clause which he proposes to amend?

Mr. WHITE: Section 288 of the Customs Act reads as follows:

The Governor in Council may, under regulations made for that purpose, allow, on the exportation of goods which have been imported into Canada, and on which a duty of Customs has been paid, a drawback equal to the duty so paid with such deductions therefrom as is provided in such regulations.

2. In cases mentioned in such regulations, and subject to such provisions as are therein made, such drawback, or a specific sum in lieu thereof, may be allowed on duty-paid goods manufactured or wrought in Canada into goods exported therefrom.

3. The period within which such drawback may be allowed, after the time when the duty was paid, shall be limited in such regulations.

I have read the resolution, and the effect of the change will be as I have already indicated to the House.

At the present time in Canada the fuel used for the production of pig iron is coke and charcoal. Coke is already on the free list; charcoal is among the unenumerated items of the tariff and subject to the duties in respect of unenumerated items. There are two furnaces in Canada engaged in the manufacture of charcoal pig iron, one at Deseronto and the other at Parry Sound. I believe both are closed at the present time on account of the depressed condition of the iron industry. We propose to put

charcoal pig iron upon the same basis as the pig iron produced from coke, and I shall therefore propose that charcoal, when imported for purposes of pig iron production shall receive a drawback of 99 per cent of the duty paid. That will be somewhat of an assistance to the charcoal pig iron industry.

I wish now to deal with a cognate subject. At present coke is free for all purposes, that is to say, an American manufacturer located at Buffalo and having his bituminous coal free of duty, can manufacture coke and supply the needs say, of Hamilton or other parts of Canada. Bituminous coal is dutiable under the present tariff at 53 cents per ton. Bituminous coal is free under drawback provision when imported by proprietors of smelting works and converted into coke at the works for the smelting of metals from ores. The drawback section in the tariff is No. 1,019. That means that the proprietors of smelting works may bring in bituminous coal and when the coal is converted into coke at their works for the smelting of metals from ores a drawback of 99 per cent is allowed in respect to the duties paid upon that coal. It is reported to us that large works would be erected in Canada, at Hamilton for one place, and possibly in other places, if proprietors of coke ovens were allowed the same privilege for the same purpose, that is to say, for the smelting of metals from ores and for foundry purposes.

Let me illustrate. A manufacturer of coke at Buffalo to-day can send his coke free to Canada for use in the smelting of metal or for foundry or other purposes. It is only open to the coke manufacturer in Canada to-day to get a drawback in respect of the duty paid upon bituminous coal or coal from which coke is produced if such coke is used at the works in the smelting of metals from ores. We propose to amend that section 1,019 so as to provide that there shall be a drawback in respect to all duties paid upon bituminous coal when imported by proprietors of coke ovens for the smelting of metals from ores and for foundry purposes. We have made careful inquiry into this matter and we have not been unmindful of the coal interests of Canada, especially those of the Maritime provinces, and we are satisfied that there will be no injurious effect to the great coal mining industries of Canada by reason of the extension of the drawback so as to enable coke manufacturers who desire to supply the Canadian market to locate in the city of Hamilton, say, instead of being obliged, under the present law, to locate in the city of Buffalo.

Mr. MACDONALD: Will the minister tell me what that limitation is exactly under the change he proposes?

Mr. WHITE: When I read the resolutions I will give my hon. friend the wording.

Mr. EMMERSON: I would like to ask the hon. minister whether there are coke ovens at Buffalo or whether the coke ovens are not located at the mines in the United States.

Mr. WHITE: I understand that there is a question at the present time as to whether a large industry will be located at Buffalo for the purpose of supplying the Canadian market, or whether it will be located in Hamilton.

Mr. EMMERSON: There are none in Buffalo now?

Mr. WHITE: I would not say that there is any. I am not aware as to whether there is or is not. I would like to meet the question of my hon. friend from Pictou (Mr. Macdonald). The wording is:

> When imported by proprietors of coke ovens and converted at their coke ovens into coke for use in the smelting of metals from ores and in the melting of metals.

They must convert the coal at their works into coke and its use is limited to the smelting of metals from ores and the melting of metals. The latter will be for foundry purposes.

Dealing further with the iron and steel industry, I would call the attention of the House to item 398 of the tariff. That item is as follows:

> Wrought or seamless iron or steel tubing, plain or galvanized, threaded and coupled or not, over 4 inches in diameter n.o.p., British preferential tariff, 10 per cent; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

The House will observe that there is a limitation to 'wrought and seamless iron or steel tubing over 4 inches in diameter,' whereas tariff item 399 is as follows:

> Wrought or seamless iron or steel tubing, plain or galvanized, threaded and coupled or not, 4 inches or less in diameter, n.o.p. British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

At the time the customs tariff of 1907 was enacted this tubing over 4 inches in diameter was not being manufactured in

Canada. It is being now, and has been for some time, manufactured by the Page, Hersey Company of Welland. We intend therefore to give an increase up to 10 inches so as to meet the changed conditions regarding the manufacture of this article in Canada. In that connection we shall amend drawback clause 1,017, making it uniform and granting a drawback of 50 per cent instead of 99 per cent in respect of one of its parts.

Mr. MACDONALD: What will be the exact position of item 398? Will it be amended or is it only the drawback?

Mr. WHITE: That will drop out and will be re-enacted under two items.

Mr. NESBITT: What is the reason of the dropping of seamless tubing?

Mr. WHITE: I will explain the matter in committee. It will take considerable time to explain it. I hope that will be satisfactory to my hon. friend. I can assure him that this drawback is a comparatively unimportant matter. That concludes the tariff changes that I have to propose in connection with the iron and steel industry.

I come now to deal with the important subject of agricultural implements, and with the consent of the House I shall treat of it somewhat at length, especially in view of the debate which took place recently upon the resolution of my hon. friend from Moosejaw (Mr. Knowles), asking for the abolition of all duties upon agricultural implements.

At six o'clock the House took recess.

The House resumed at eight o'clock.

Mr. WHITE (resuming): Mr. Speaker, when the House rose at six o'clock, I was entering upon a consideration of the question of duties upon agricultural implements. I stated that it was my intention to deal with the matter somewhat at length on account of the resolution which was moved by my hon. friend from Moosejaw (Mr. Knowles) in this House recently and the debate thereon which ensued. I did not take part in that debate, because, although the resolution was entirely in order, I felt that a discussion upon a matter relating to duties could more properly take place upon the occasion of the Budget Speech. Now, Mr. Speaker, it has been recognized, I think, by all governments that it is most important that duties upon agricultural implements should be fixed at rates as reasonable as possible having regard to fiscal policy. Agriculture is recognized as the great basic industry, and it is important that the implements which the farmer uses—his plant, so to speak—should cost him as little as possible. This principle, Sir, is recognized in the tariff of to-day. The average rate of duty upon dutiable goods under the present tariff, the tariff of 1907—the tariff of the late Government as well as of the Government of to-day—is 26 per cent. The duties upon agricultural implements are chiefly 17½ per cent and 20 per cent.

Now, there is one point to which I desire to refer in this discussion. The tariff of this or of any other country—and especially of a protective country— is a structure; one part is dependent upon another part; the rates of the tariff are related one to another; the rates on finished products are related to and largely dependent on the rates on raw materials which are usually the finished product of other manufactures, and dutiable. This solidarity, so to speak, of the tariff cannot be lost sight of. Usually it is impossible to deal with a single item without at the same time dealing also with other related or dependent items. To arbitrarily single out special products and lower or abolish the duties upon them without dealing also with necessarily related duties would not only result in the grossest injustice to those affected thereby but would exercise a most harmful effect upon the entire industry of the nation by the ensuing loss of confidence on the part of the business community. On account of this consideration, it is unusual to make many tariff changes except upon occasions of general revision when the tariff can be dealt with as a whole after due inquiry and consideration as to the scope and bearing of all changes proposed. If modifications are then regarded as necessary, upon a range of products or commodities any other modifications dependent thereon or necessary thereto may also be made, to the end that injustice and disturbance of business may, as far as possible, be avoided.

Now, Mr. Speaker, this is by way of preface to the remarks which I propose to offer in respect of the resolution which was supported, I believe, unanimously by the Liberal members of this House to the effect that:

In the opinion of this House the time has arrived when, in the interests of the farmers, and consequently in the interests of the whole of Canada, the duties on agricultural implements should be forthwith removed.

Sir, there is no reservation or exception about that resolution; it is a drastic resolution calling for the abolition of all duties upon all agricultural implements of every kind and nature whatsoever. Upon the occasion of the debate on the Address, I referred to the declaration at Hamilton and at Montreal by my right hon. friend the leader of the Opposition (Sir Wilfrid Laurier), in favour of a policy of free food, and I said on that occasion, and I say now, that free food means free trade. I say further now, that free agricultural implements means free trade.

Mr. TURRIFF: Free trade in implements.

Mr. WHITE: Free trade. Having gone so far, my right hon. friend must inevitably go farther. The logical and inevitable outcome and conclusion of his declaration respecting free food and of the policy respecting free agricultural implements is the fiscal policy of free trade. Sir, I have no exception to take to my right hon. friend espousing a policy of free trade. I simply desire to say this—that we on this side of the House are ready to accept that gage of battle, whenever he chooses to throw it down.

Now, I am going to ask this House to consider the position of the manufacturer of agricultural implements with all his duties abolished. But first, what is his position under the tariff of to-day? The manufacturer of agricultural implements, as the manufacturer of other commodities in Canada, buys subject to duty, his stone, his brick and all other building materials that enter into the composition of his establishment. He buys subject to duties his engines, his machinery and his plant generally. He pays fifty-three cents a ton upon the coal that he consumes in his furnaces. He buys subject to duty his iron, his steel, his bars, his shapes, sheets, wire, forgings, plates, nuts, washers, tubing, chains, castings and practically all other articles entering into his product. The range of duties upon the articles I have mentioned is for the most part from twenty per cent to thirty per cent. With practically everything he uses dutiable, on what principle can we sweep away the duties upon the product of the manufacturer of agricultural implements? I ask this House, upon what principle can it be done? Now, is my right hon. friend prepared to take the further logical step and to vote for the abolition of all duties upon the raw and finished products entering into the manufacturing of agricultural implements? To do so would work the most serious damage to all industries concerned: to the coal industry, to our great basic iron and steel industry, to our machine and foundry industry, to say nothing of a multitude of others of minor importance. A large part of their tonnage would be lost to foreign manufacturers, and many establishments would undoubtedly close their doors. Let us assume for a moment that my right hon. friend was ready to go so far as that; would he then accomplish the end that he had in view? Could the manufacturer of agricultural implements—and by agricultural implements I mean all agricultural implements, because that is what the resolution had in contemplation—could he, if he had all the products constituting his material upon the free list, hold his own in competition with the implement makers of the United States? The cost of production is necessarily higher in Canada, even under those conditions, for this reason: it is a well-known fact that cost of production is in inverse ratio to the tonnage: the greater the tonnage, the greater the number of implements manufactured, the less the cost of production, and until this country has developed its industry to the extent to which it has been developed in the United States, it will not be possible for us to compete on even terms with the highly specialized and powerful industries of that republic.

One of the greatest markets for agricultural implements in Canada is the Northwest. I have been looking into the question of freight rates and I find that the freight rates between Chicago and Winnipeg upon agricultural implements are lower than they are between Hamilton and Winnipeg. Therefore, even if the duties upon raw materials were abolished, the Canadian manufacturer of agricultural implements would be at a disadvantage with his American competitors. That being so, what would be the inevitable result of the policy, advocated by hon. gentlemen opposite, of the abolition of duties on all agricultural implements of every kind and nature whatsoever? The effect would be this: it would transfer the entire agricultural implement business of Canada to the United States; it would depopulate some of our most thriving towns, and for what? That an American trust ultimately might gain control of the Canadian market from east to west and dictate prices at its own sweet will.

I propose to examine this agricultural implement industry; to see where are the manufactories engaged in the production of agricultural implements, and to see how important is this industry to Canada. According to the census of 1911 there are in Canada seventy-seven of these establishments, with a capital of $45,000,000. The number of employees at factories and head offices, nearly all men, is 9,560, and the amount of salaries and wages paid is $5,550,000, materials used amount to $10,400,000, and the value of products is $20,700,000. There are fifty-four of these establishments in Ontario, located at forty-three different places and in 35 electoral districts. The capital invested in Ontario alone is $44,000,000. The other establishments are located in the province of Quebec, and at Winnipeg and Brandon in the province of Manitoba. I have a complete list of the places in which there are manufactories of agricultural implements. I shall not go through it in detail, but for the information of the House—because it was a surprise to me—I propose to mention to-night the names of the places in Canada in which agricultural implements of one kind or another are manufactured. This is the list: Hamilton, Brockville, Toronto, Peterborough, Preston, St. Mary's, Smith-Falls, Teeswater, Welland, Terrebonne, Guelph, Ingersoll, St. George, Woodstock, Brantford, Cowansville, Aurora, Ayr, Bolton, Goderich, Merrickville, Orillia, Paris, La Prairie, Montmagny, Tillsonburg, Brandon, Chatham, Waterloo, New Hamburg, St. Hyacinthe, Winnipeg, Ottawa, Ridgetown, St. André, Warwick, Summerside, P.E.I., Calgary, St. Thomas, St. Catharines, Stratford, Iberville, Joliette, Halifax, New Glasgow, Waterloo, Walkerville, Sorel, Waterville. So far as the record goes, there are agricultural implement establishments in every province except British Columbia. In these places there is invested $45,000,000 of capital, the manufactories supporting directly, in operatives and their families, probably 50,000 people—the mainstay industrially of many of the towns that I have mentioned, which afford a market for the surrounding country; these are the establishments that the policy of hon. gentlemen opposite, the policy of the abolition, root and branch, of duties on agricultural implements, would destroy.

What is the condition to-day of those engaged in the manufacture of agricultural implements ? I have looked into this matter with a view of ascertaining the facts and dealing with them, I trust, fairly and judicially. Those engaged in the manufacture of agricultural implements have felt, in common with those engaged in all other enterprises, and are feeling to-day the financial conditions which have prevailed in Canada during the past two years. Those conditions have been aggravated by a credit system under which the manufacturers of agricultural implements become virtually the bankers for many of those to whom they sell their products. Last year their expectations were disappointed as to the demand there would be for their productions, and to-day the agricultural implement manufacturers of Canada are carrying large inventories because of the over-production of last year. They are confronted this year with the condition that prevailed to a large extent last year. Money is becoming easier, but they do not expect that their output of this year will at all reach the output of the last and preceding years. Having regard to the fact that the tariff rates upon one commodity are fixed with regard to the rates upon the raw material entering into its production; and having regard to the financial conditions which prevail to-day and affect that industry in common with all others, I say that any extreme, high-handed or arbitrary action could only result most disastrously to that industry. Sir, we are not here to destroy but to encourage and promote Canadian industry. I say that that is our mandate as a Government from the people of Canada. Now we have not been unmindful of the interests of the farmer. We have been desirous that the tariff upon his implements, his plant should be as reasonable as possible, consistent with our fiscal policy and conditions as they exist in Canada to-day. But, Sir, we have approached the subject in a rational way. We have made inquiries. For considerably over a year past we have been making inquiries and investigations into the question of agricultural implements. We have made an investigation into the prices of agricultural implements on both sides of the line, in Canada and in the United States. We have made an inquiry as to the factory cost of production of the principal agricultural implements in Canada and in the United States. We have examined the balance sheets of manufacturers with the idea of ascertaining what their position is and whether or not they are making undue profit upon their business.

Mr. TURRIFF: Would the hon. gentleman state whether, in making that examination, he also examined as to what amount

of cash was in the stock and what amount of water?

Mr. WHITE: The examination as to selling price was made by a trusted official of the Customs Department, Mr. Thomas Costello. We examined into the cost of production. I examined the balance sheets myself and I think, without paying myself too much of a compliment, that I know something about a balance sheet. After having given this matter the most careful and painstaking consideration, we are satisfied that on only one range of implements can the duty be lowered without violation of the fiscal policy of reasonable protection which is designed to encourage and promote the establishment of industries in Canada. There is in the tariff an item respecting a range of implements which are much used in the northwestern provinces; I refer to harvesters, reapers, binders and mowers. I think I should point out to the House, because it is pertinent to the observations I made a short time ago with reference to the duties upon raw material entering into products, that there exists a drawback upon iron and steel, the principal commodities used in the production of these implements, harvesters, reapers, binders and mowers. We have been asked upon more than one occasion to repeal that drawback and to give the steel manufacturers the benefit of the market. There is much to be said for that course. It is a course which would commend itself to one seeking to follow a policy of protection. But, in the interests of the farming community and having regard to the tariff as it exists to-day, we have said: We will allow that drawback item to stand. That drawback upon iron and steel is equivalent to about two or two and a half per cent upon the value of a binder, reaper, mower or harvester. I differentiate the industry engaged in the manufacture of harvesters, reapers, binders and mowers from the others.

Mr. McCOIG: Would the minister state what he means by harvesters, reapers and binders?

Mr. WHITE: I am quoting the words used in the tariff.

Mr. McCOIG: A harvester and a binder are the same thing, it is one machine.

Mr. GERMAN: Does the minister refer to two classes of machine or to one?

Mr. WHITE: We will call them one, anything for peace. We will say harvesters, reapers and mowers. The binder does not count, because it means the same thing as a harvester. When I was a boy we used to call them binders. There are three firms in Canada engaged to-day in the manufacture of harvesters, reapers and mowers, the Massey-Harris Company, of Toronto, the International Harvester Company, of Hamilton, and the Frost & Wood Company, of Smith Falls.

Mr. NESBITT: And the Noxon Company, of Ingersoll.

Mr. WHITE: I had overlooked that firm; I shall be glad to learn of any others. I would make this distinction between the cases of harvesters, reapers and mowers and all other agricultural implements, that for home consumption there is a drawback upon iron and steel products entering into the manufacture of those three implements. That is one point of distinction between the industries engaged in the manufacture of those implements and industries engaged in the manufacture of all other agricultural implements. Another point of distinction is this. Those are among the most highly developed industries in the world. The manufacture of harvesters, reapers and mowers has been brought to an extraordinary point of perfection both in Canada and in the United States, and it is a matter of pride to me that the Canadian manufacturer of harvesters, reapers and mowers is not only able to hold his own but to do exceptionally well and sometimes to best his competitors in the markets of the world.

Mr. McCOIG: Will that include corn harvesters as well as grain harvesters?

Mr. WHITE: I am unable to answer that question immediately, it is a more or less technical question, and I have not the information at the moment.

Mr. McCOIG: They are both harvesters.

Mr. WHITE: I am covering, or intending to cover the item in respect of which a drawback is given on pig iron and steel and their products entering into the manufacture of the implements. I think it does include corn harvesters, but I am unable to say definitely to my hon. friend, because the matter has not been called to my attention. What is, then, the position of these manufacturers of harvesters, reapers and mowers? The Massey-Harris Company has an export business equal to sixty-five per cent of its output. The International Harvester Company of Chicago has, of course, a large export

business, but I understand that its export business in Canada is not large. Having regard to the highly developed condition of this industry, and to the fact that it enjoys a drawback in respect of iron and steel, which are the principal products entering into the manufacture of agricultural implements, we have, after the most careful consideration, reached the conclusion that the duty upon harvesters, reapers, binders and mowers, which now stands at 17½ per cent in the customs tariff of 1907, can be reduced to 12½ per cent.

Mr. SCHAFFNER: Why do not gentlemen opposite cheer now?

Mr. WHITE: that is 2½ per cent lower than the rates upon harvesters, reapers, binders and mowers proposed in the celebrated reciprocity agreement. Having regard to the cost of production of these implements in the United States and in Canada to-day, and having regard to the greater tonnage of the United States output, and to the difference in freight rates in favour of the United States manufacturers of those implements, I say that that is as low a rate as we are able to obtain if we are to retain these great industries in the Dominion of Canada. Statistics of the Customs Department show that in respect of export of harvesters, reapers, binders and mowers, the drawback, which means all the duty that has been paid upon foreign material entering into their manufacture, is about equivalent to 5 per cent. If, therefore, we take into consideration the 2½ per cent which we are still allowing them, and, further, the 2½ per cent representing the balance of that 5 per cent, harvesters, reapers, binders and mowers are really, so far as protection is concerned, on a 10 per cent basis. I have dealt, I am afraid, somewhat at length, but I hope fairly and justly, with the question of agricultural implements.

There is just one other matter that I have to deal with. Last year we placed upon the free list ditching machines, but inadvertently omitted parts of ditching machines. This year we shall put parts of ditching machines upon the free list.

I now come to another topic—the question of building stone. By item 306 of the tariff, there is a duty of 20 per cent on building stone dressed, and on rough stone a duty of 15 per cent. That is a difference of 5 per cent, but that margin is more than nullified by the freight rates, and for this reason: When a block of stone is dressed it loses a certain amount of its weight; dressed stone comes in at a 20 per cent duty, but in the dressing, which adds value to it, sufficient weight has been taken off the stone to more than counterbalance, having regard to freights, the margin between the duty upon rough stone and the duty on the finished product. This has been a very great disadvantage to the Canadian stonecutters. Notwithstanding the building activity of the past few years, there have been frequent periods of unemployment among the stonecutters of Canada. The stone comes from Ohio and Indiana, where, for the most part, the work is done. We have been repeatedly petitioned by the stonecutters throughout Canada for a modification of this tariff item, which will permit the rough stone to come in at precisely the same rate of duty existing to-day, and give the work upon that rough stone, the sawing, the dressing and the planing to the stonecutters of Canada. We propose, therefore, that stone sawn on two sides shall continue to come in at the present rate of duty but that on stone sawn on four sides the rate shall be fifteen cents per 100 pounds. There is very great difficulty in administering the tariff to-day on account of the difficulty in ascertaining the value of finished, dressed stone coming in as an import. The average ad valorem of the specific rate which I have quoted is 30 per cent. Upon turned, planed, cut or further finished stone I propose a rate of 45 cents per 100 pounds, which is equal to 30 per cent ad valorem. The reason why that higher rate is about the equivalent ad valorem rate to the lower specific rate on stone sawn on four sides is because of the greater value of the stone which has been planed, turned, cut or further finished. These are the proposals which the Government has to offer in regard to building stone, and I believe that the increase in the tariff rate will enure directly to the benefit of the stonecutters of Canada and indirectly to the country.

One further item—caustic soda and hypochlorite of lime. At present these two items are on the free list. The Canadian Salt Company at Windsor, which employs many men and has a large capital invested in its plant, has for three years been manufacturing these products made from salt. The manufacture of caustic soda and hypochlorite of lime—which is a by-product of

caustic soda—is a natural industry in connection with salt production. The users of caustic soda and chloride of lime are the soap and paper manufacturers, but they use a very small proportion indeed having regard to their production. Therefore, it is not necessary that there should be any readjustment or increase of the tariff by reason of the rates which I shall have the honour to propose to the House. The Canadian Salt Company at Windsor produce now one-third of Canada's requirements in caustic soda. They hope, with the aid of this duty, to produce all. Later, I shall give, in the resolutions which I shall propose, the rates of duties which I have to offer with respect to these two commodities.

I come now to another matter which has been brought to our attention; that is, the tariff with respect to brass. In the tariff of 1907 brass in sheets, bars and rods was dutiable at 10 per cent. It was not manufactured in Canada, and, under a provision of the Customs Act, on August 11, 1908, the Governor in Council abolished the duty of 10 per cent on brass bars and rods, and it consequently was placed upon the free list. I have stated that it was not then manufactured in Canada. However, I am now glad to say that it is manufactured in Canada. A new plant, involving a capital of about $250,000, modern, up to date, and well equipped, has been established at West Toronto for the manufacture of copper and brass. I propose now, and it also will involve no tariff adjustment, to restore the item of brass in sheets, bars and rods to the tariff, fixing the same duty as was fixed with respect to it in the tariff of 1907.

Now, I approach the end of what I fear has been a somewhat long-drawn-out and tedious Budget. There are a number of minor changes, some of consequence, but chiefly for administrative purposes. Before reaching the resolutions which we have to propose, in order to give notice of them, there is a matter to which I desire briefly to advert and it is the question of a bounty upon iron ore. This matter has been brought to the attention of the Government by the hon. member for Thunder Bay and Rainy River (Mr. Carrick) who, in a very able speech, introduced the subject to the House. The matter has been discussed in the press, and I notice that it has been made the subject of a debate in the Legislature of the province of Ontario. Without dilating further upon the subject, because the debate which ensued was of a very illuminating and informing character, I desire to say that the Government feels that at the present time it has not sufficient information before it as a basis for intelligent legislative action. Speaking this afternoon with regard to the question of bounties generally, I said that, personally, I saw no objection to bounties granted for the purpose of calling an industry into being, but that there was a strong objection to continuing bounties to industries that had been firmly established. We propose, in respect to this important matter, which has been brought to our attention by the hon. member for Thunder Bay and Rainy River to cause an inquiry to be instituted by the Mines Department during the coming summer for the purpose of ascertaining the extent and availability of Canada's ore deposits and the character of the ore, and securing information as complete as possible as to improved methods of treatment. We desire to ascertain, as a result of that inquiry, whether a bounty will induce development and place the Canadian iron ore industry in a reasonable time upon a secure basis, enabling it to compete with foreign ore without the adventitious aid of further bounties.

There is another matter also involving the question of bounties which I desire to call to the attention of the House. There has been placed before us recently, in fact since the beginning of the year, the question of the development in Canada of flax fibre production. I think that the development of the industry of flax fibre production would be of great advantage to certain parts of Canada provided it could be carried on successfully here. But the success of manufacturing flax fibre will depend upon the efficiency of the flax pulling machines and the flax fibre manufacturing machines. I am unable at present to express any opinion as to whether the flax fibre industry is one which, having regard to the labour conditions that prevail in this country, and the stage of invention of the machinery required, should be regarded as a possible industry, but during the summer it is our intention to look fully into the matter and see whether such an industry is possible of development in Canada, and whether a reasonable bounty

would have the effect of contributing to its institution and development.

Mr. MURPHY: By whom will the inquiry be made?

Mr. WHITE: The first inquiry will be made by the Mines Department, and I am now communicating with Mr. Brock. The second inquiry will be conducted by the officers of the Finance Department, tariff branch. That is what I have in my mind at the present time. If it is necessary, we can easily obtain outside expert assistance in the matter.

I propose to offer an amendment to section 7 of the Customs Tariff Act of 1907. That section is as follows:

Articles which are the produce or manufacture of any foreign country which treats imports from Canada less favourably than those from other countries may be subject to a surtax over and above the duties specified in schedule 'A' to this Act, such surtax in every case to be one-third of the duty specified in the general tariff in the said schedule.

I would call the attention of the House to the fact that the provision of one-third is inflexible; that is to say, it must be one-third, no more and no less. In similar legislation in other countries—Germany, Japan and Italy—there is a provision that the surtax may be a rate not exceeding 50 per cent or 30 per cent; that is to say, it is in the discretion of the Government whether it will be 2 per cent, or 15 per cent, or more.

I purpose, Sir, offering an amendment to section 7 of the customs tariff, which will provide that imports from countries which discriminate against the imports of Canada or against Canadian shipping may be subject to a surtax over and above the duty specified in the Customs Tariff Act, to an amount not exceeding twenty per cent ad valorem. That is to say, it may be two per cent, or five per cent, or ten per cent, or fifteen per cent, but it must not, under any circumstances, exceed twenty per cent, ad valorem. I desire to give notice that upon the House resolving itself into Committee I shall move the following resolutions—

Mr. SINCLAIR: Would the minister tell the House whether he has considered the application made last year and the year before for a reduction of the tariff on fishing twine, known as marlin. This duty discriminates against the lobster fisheries, all other fishing twine being free. The Minister of Customs told the House last year that when the tariff was dealt with this matter would be considered.

Mr. WHITE: The matter is not dealt with in the changes which I have to propose to the House. I understand that there would be difficulty in the administration of an item such as, I think, the hon. gentleman (Mr. Sinclair) has in mind,

9 p.m.

but the matter has not been drawn to my attention, so far as I recall, since the House was in Committee upon the Budget of last year. I now beg to give notice that, upon the House resolving itself into Committee, I shall move the following resolutions:

1. Resolved, that it is expedient to provide, in substitution for section 7 of the Customs tariff, 1907:—

(a) that goods the product or manufacture of any foreign country which treats imports from Canada less favourably than those from other countries may be made subject by Order in Council in the case of goods already dutiable to a surtax not exceeding twenty per centum ad valorem, and in the case of goods not dutiable to a rate of duty not exceeding twenty per centum ad valorem;

(b) that goods the product or manufacture of any foreign country imported into Canada in vessels registered in such foreign country may, if such foreign country imposes higher duties of customs upon goods imported into such country in vessels registered in Canada than upon the like goods when imported in vessels of such country, be made subject by Order in Council in the case of goods already dutiable to a surtax not exceeding twenty per centum ad valorem, and in the case of goods not dutiable to a rate of duty not exceeding twenty per centum ad valorem.

2. Resolved, that the customs tariff, 1907, be amended by authorizing the Governor in Council when satisfied that rolled iron or steel angles, beams, channel and other rolled shapes or sections, or iron or steel weighing one hundred and twenty pounds and less per lineal yard, are manufactured in substantial quantities in Canada from steel made in Canada to direct that there be substituted for tariff item 379 in schedule A to the customs tariff, 1907, the following:

Tariff Items.	—	British Preferential Tariff.	Intermediate Tariff.	General Tariff.
		$ cts.	$ cts.	$ cts.
379	Rolled iron or steel angles, beams, channels, and other rolled shapes or sections, of iron or steel, not punched, drilled or further manufactured than rolled, weighing over one hundred and twenty pounds per lineal yard, n.o.p. not being square, flat, oval or round shapes, and not being railway bars or rails per ton	2 00	3 00	3 00

3. Resolved that schedule A to the Customs tariff, 1907, as amended by chapter 15 of the Acts of 1913, and by Orders in Council be further amended by striking thereout tariff items: 113, 184, 208, 210a, 296, 306, 315, 361, 375, 398, 404, 410, 411, 445, 446a, 460, 471, 486, 542, 543, 545, 546, 575, 577, sections (a) and (d) of the Orders in Council dated 11th August, 1908, designated as items 717 and 720 of the customs tariff, the several enumerations of goods respectively, and the several rates of duties of customs, if any, set opposite each of said items, and to provide that the following items, enumerations and rates of duties be inserted in said schedule A:—

Tariff Items.	—	British Preferential Tariff.	Intermediate Tariff.	General Tariff.
39c	Cassava flour, when imported by manufacturers of explosives, for use exclusively in the manufacture of such articles in their own factories	Free.	Free.	Free.
79a	Rooted carnation cuttings in their first year of introduction	Free.	Free.	Free.
99a	Dried or evaporated bananas.....per pound	Free.	½ cent.	½ cent.
113	Cocoanut, desiccated, sweetened or not per pound	3 cents.	4 cents.	4 cents.
157a	Amyl alcohol or refined fusel oil, when imported by the Department of Inland Revenue or by a person licensed by the Minister of Inland Revenue, to be denatured for use in the manufacture of metal varnishes or lacquers, to be entered at ports prescribed by regulations of the Ministers of Customs and Inland Revenue, subject to the Inland Revenue Act and to the regulations of the Department of Inland Revenue	Free.	Free.	Free.
178a	Provided that on the goods specified in item 178 and imported by mail on and after first day of July, 1914, duties may be paid by Customs Revenue stamps, under regulations by the Minister of Customs, at the rates specified in said item, except that on each separate package weighing not more than one ounce the duty shall be..... each	1 cent.	1 cent.	1 cent.
184	Newspapers, and quarterly, monthly, and semi-monthly magazines, and weekly literary papers, unbound; tailors', milliners' and mantle-makers' fashion plates when imported in single copies in sheet from with magazines or periodical trade journals	Free.	Free.	Free.
188a	Decalcomania paper not printed when imported by manufacturers of decalcomania transfers to be used in their own factories in the manufacture of decalcomania transfers	Free.	Free.	Free.

Tariff Items.	—	British Preferential Tariff.	Intermediate Tariff.	General Tariff.
208	Boracic acid and borax in packages of not less than twenty-five pounds weight; hydro-fluosilicic acid; oxalic acid; tannic acid; ammonia, sulphate of; sal ammoniac and nitrate of ammonia; cyanide of potassium; cyanide of sodium and cyanogen bromide for reducing metals in mining operations; antimony salts, viz.:—tartar emetic, cholrine and lactate (antimonine); arsenous oxide; oxide of cobalt: oxide of tin; bichloride of tin; tin crystals; oxide of copper; precipitate of copper, crude; sulphate of copper (blue vitriol); verdigris or subacetate of copper, dry; sulphate of iron (copperas); sulphate of zinc; chloride of zinc; sulphur and brimstone, crude or in roll or flour; cream of tartar, in crystals or argols; tartaric acid crystals; iodine, crude; bromine; phosphorus; sulphide of arsenic; carbon bisulphide.....	Free.	Free.	Free.
208a	Chloride of lime and hypochlorite of lime:—			
	1. When in packages of not less than twenty-five pounds weight each.....per one hundred pounds.....	10 cents.	15 cents.	15 cents.
	2. When in packages of less than twenty-five pounds weight each.....	17½ p.c.	25 p.c.	25 p.c.
210a	Caustic soda:—			
	1. When in packages of not less than twenty-five pounds weight each.....per pound	1-5cent.	3-10 cent.	3-10 cent.
	2. When in packages of less than twenty-five pounds weight each.....	17½ p.c.	25 p.c.	25 p.c.
278a	Peanut oil for manufacturing soap or for canning fish; soya bean oil for manufacturing soap...	Free.	Free.	Free.
296	Flint, ground flint stones; felspar, fluorspar, magnesite; mica schist; cliff, chalk, china or Cornwall stone, ground or unground, refuse stone, not sawn, hammered or chiselled nor fit for flagstone, building stone or paving....	Free.	Free.	Free.
306	Marble, sawn or sand rubbed, not polished; granite, sawn; paving blocks of stone; flagstone and building stone, other than marble or granite, sawn or not more than two sides....	15 p.c.	20 p.c.	20 p.c.
306a	Building stone, other than marble or granite, sawn on more than two sides but not sawn on more than four sides, per hundred pounds....	10 cents.	15 cents.	15 cents.
306b	Building stone, other than marble or granite, planed, turned, cut or further manufactured than sawn on four sides, per one hundred pounds	30 cents.	45 cents.	45 cents.
315	Carbons over six inches in circumference or outside measurement and not exceeding thirty-five inches in circumference or outside measurement.....	Free.	Free.	Free.
315a	Carbon electrodes exceeding thirty-five inches in circumference or outside measurement..... ..	12½ p.c.	20 p.c.	20 p.c.
327a	Silvered lenses for automobile lamps.....	10 p.c.	15 p.c.	15 p.c.
353a	Aluminum leaf or foil.....	Free.	Free.	Free.
361	Gold and silver leaf; Dutch or schlag metal leaf; brocade and bronze powders.....	15 p.c.	27½ p.c.	27½ p.c.
375	Iron in pigs, iron kentledge, and cast scrap iron; ferrosilicon containing not more than fifteen per cent silicon; ferromanganese and spiegeleisen, containing not more than fifteen per cent manganese, per ton.....	$1 50	$2 50	$2 50

Tariff Items.	——	British Preferential Tariff.	Intermediate Tariff.	General Tariff.
375a	Ferrosilicon containing more than fifteen per cent silicon, per ton	$3 00	$4 50	$4 50
375b	Ferromanganese and speigeleisen, containing more than fifteen per cent manganese	Free.	Free.	Free.
378a	Galvanized rolled hoop iron or hoop steel, numbers twelve and thirteen gauge....per ton.	$4.25	$7.00	$7.00
398	Wrought or seamless iron or steel tubing, plain or galvanized, threaded and coupled or not, over four inches in diameter but not exceeding ten inches in diameter, n.o.p	20 p.c.	30 p.c.	30 p.c.
398a	Wrought or seamless iron or steel tubing, plain or galvanized, threaded and coupled or not, over ten inches in diameter, n.o.p	10 p.c.	15 p.c.	15 p.c.
404	Galvanized iron or steel wire, curved or not, numbers nine, twelve and thirteen gauge with variations from such gauges not exceeding four one-thousands of an inch, and not for use in telegraph or telephone lines	Free.	Free.	Free.
410	Coil chain, coil chain links including repair links, and chain shackles, of iron or steel, one and one-eighth of an inch in diameter and over	Free.	5 p.c.	5 p.c.
410a	Coil chain, coil chain links including repair links, and chain shackles, of iron or steel, n.o.p	15 p.c.	20 p.c.	20 p.c.
411	Malleable sprocket chain, and link belting chain of steel, when imported by manufacturers of agricultural implements for use in the manufacture of such implements in their own factories	Free.	Free.	Free.
445	Mowing machines, harvesters, self binding or without binders, binding attachments, reapers, and complete parts thereof, not including shafting or malleable iron castings, also finished parts for repairs of the machines specified in this item	12½ p.c.	12½ p.c.	12½ p.c.
445a	Malleable iron castings when imported by manufacturers for use exclusively in their own factories in the manufacture of mowing machines, harvesters, binding attachments and reapers	15 p.c.	17½ p.c.	17½ p.c.
446a	Traction ditching machines (not being ploughs) adapted for tile drainage on farms, valued by retail at not more than three thousand dollars each, and complete parts thereof for repairs	Free.	Free.	Free.
453a	Electrical dental engines	15 p.c.	27½ p.c.	27½
460	Sundry articles of metal as follows, when for use exclusively in mining or metallurgical operations, viz.:—Diamond drills, not including the motive power; coal cutting machines, except percussion coal cutters, coal augers and rotary coal drills; coal heading machines; core drills; miners' safety lamps and parts thereof, also accessories for cleaning, filling and testing such lamps, electric or magnetic machines for separating or concentrating iron ores; furnaces for the smelting of copper, zinc and nickel ores; converting apparatus for metallurgical processes in metals, copper plates, plated or not; machinery for extraction of precious metals by the chlorination or cyanide processes; amalgam safes; automatic ore samplers; automatic feeders; retorts; mercury pumps; pyrometers; bullion furnaces amalgam cleaners; blast furnaces blowing engines; and integral parts of all machinery mentioned in this item	Free.	Free.	Free.

Tariff Items.	—	British Preferential Tariff.	Intermediate Tariff.	General Tariff.
471	Rolled round wire rods in the coil, of iron or steel not over three-eighths of an inch in diameter, when imported by wire manufacturers for use in making wire in the coil in their own factories ..... per ton.	$2 25	$3 50	$3 50
471a	Rolled round rods in the coil, of iron or steel, whether annealed or cleaned, or not when imported by manufacturers of chain for use only in their own factories in the manufacture of chain..... per ton.	$2 25	$3 50	$3 50
478a	Iron or steel bands, strips or sheets, number fourteen gauge or thinner, coated, polished, or not, and rolled iron or steel sections, not being ordinary square, flat or round bars, when imported by manufacturers of saddlery hardware and hames for use exclusively in the manufacture of such articles in their own factories.....	Free.	Free.	Free.
486	Iron tubing, brass covered, not over three inches in diameter, and brass trimmings, not polished, lacquered or otherwise manufactured, when imported by manufacturers of iron or brass bedsteads for use exclusively in the manufacture of such articles in their own factories..	Free.	Free.	Free.
494a	Cork slabs, boards, planks and tiles produced from cork waste or granulated or ground cork	20 p.c	30 p.c	30 p.c
533a	Garnetted wool waste in the white when imported by manufacturers of woolen goods for use exclusively in their own factories.....	Free.	Free.	Free.
542	Jute or hemp yarn, plain, dyed or coloured, when imported by manufacturers for use exclusively in their own factories for weaving purposes, or for insulating wire, or for the manufacture of hammocks and twines.....	Free.	Free.	Free.
543	Linen yarn when imported by manufacturers of towels, damask, or seamless linen fire hose duck, for use exclusively in the manufacture of such articles in their own factories.....	Free.	Free.	Free.
545	Jute and jute butts; jute cloth or jute canvas, as taken from the loom, not coloured, cropped mangled, pressed, calendered, nor finished in any way.....	Free.	Free.	Free.
546	Jute cloth or jute canvas, uncoloured, not further finished than cropped, bleached, mangled, or calendered.....	7½ p.c.	10 p. c.	10 p.c.
548a	Twine or yarn of paper when imported by manufacturers of furniture for use only in their own factories in the manufacture of furniture.....	Free.	Free.	Free.
575	Embroideries, n.o.p., lace, n.o.p., braids n.o.p., tapes of cotton or linen not over one and one-quarter inches in width, not including measuring tape lines; fringes, n.o.p.; cords; elastic, round or flat; garter elastic; tassels; handkerchiefs of all kinds; lace collars and all manufactures of lace; nets and nettings of cotton, linen, silk or other material n.o.p.; shams and curtains, when made up, trimmed or untrimmed; corsets of all kinds, linen or cotton clothing, n.o.p.....	25 p.c.	32½ p.c.	35 p.c.
577	Silk in the gum or spun silk, when imported by manufacturers of silk thread, silk underwear or of woven labels, for use exclusively in the manufacture of such articles in their own factories.....	Free.	Free.	Free.

Tariff Items.	—	British Preferential Tariff.	Intermediate Tariff.	General Tariff.
651a	Buttons of vegetable ivory.....per gross.... and.....	5 cents. 20 p. c.	5 cents. 30 p.c.	5 cents. 30 p.c.
671a	Metal tips, studs and eyes adapted for the manufacture of corset clasps and corset wires.....	Free.	Free.	Free.
692a	Articles presented from abroad in recognition of the saving of human life, under regulations by the Minister of Customs.....	Free.	Free.	Free.

4. Resolved, that Schedule B to The Customs Tariff, 1907 be amended by striking thereout tariff items 1017 and 1019, the several enumerations of goods respectively, and the several rates of drawback of customs duties set opposite each of the said items, and to provide that the following items, enumerations, and rates of drawback of customs duties be inserted in said Schedule B:

Item No.	Goods.	When subject to Drawback.	Portion of duty (not including special duty or dumping duty) payable as Drawback.
1,017	Lapwelded tubing of iron or steel, not less than four inches in diameter, threaded and coupled or not.	When used in casing water, oil and natural gas wells, or for the transmission of natural gas under high pressure from gas wells to points of distribution..:	50 per cent.
1,019	Bituminous coal.....	When imported by proprietors of coke ovens and converted at their coke ovens into coke for use in the smelting of metals from ores and in the melting of metals.....	99 per cent.
1,021	Rolled round wire rods in the coil, of iron or steel, not over three-eights of an inch in diameter...	When used in the manufacture of galvanized iron or steel wire, curved or not, numbers nine, twelve and thirteen gauge, with variations from such gauges not exceeding four one-thousands of an inch.....	99 per cent.
1,022	Charcoal.....	When used for the smelting of metals from ores.....	99 per cent.
1,023	Rolled hexagon iron or steel bars...	When used in the manufacture of cold drawn or cold rolled iron or steel bars, or turned and polished shafting	99 per cent.
1,024	Yarns composed in chief value of wool, single, numbers thirty and finer, on mule cops, tubes or cones, or in hanks, dry spun on the French or Belgium systems, in white only, not doubled or twisted.	When used in the manufacture of socks and stockings.....	99 per cent.

5. Resolved, that Schedule C (prohibited goods) to the Customs Tariff, 1907, shall be amended by adding the following:

1212. Aigrettes, egret plumes, or so called osprey plumes, and the feathers, quills, heads, wings, tails, skins, or parts of skins of wild birds either raw or manufactured; but this provision shall not come into effect until 1st January, 1915, and shall not apply to:

(a) the feathers or plumes of ostriches;

(b) the plumage of the English pheasant and the Indian peacock;

(c) the plumage of wild birds ordinarily used as articles of diet;

(d) the plumage of birds imported alive; nor to—

(e) Specimens imported under regulations of the Minister of Customs for any natural history or other museum or for educational purposes.

6. Resolved, that the foregoing provisions shall be held to have come into force on the seventh day of April, 1914, and to have applied to all goods imported or taken out of

warehouse for consumption on and after that day, and to have also applied to goods previously imported for which no entry for consumption was made before that day, except as otherwise provided in the foregoing resolutions: Provided, nothwithstanding any increase in customs under the said resolution, that all goods actually purchased on or before the sixth day of April, 1914, for importation into Canada, on evidence satisfactory to the Minister of Customs of the purchase having been so made, and all goods in warehouse in Canada on such day, if entered for duty after importation prior to the first day of July, 1914, may be entered at the rate of duty in force on the said sixth day of April, 1914.

Mr. Speaker, this is the third occasion upon which I have had the honour of presenting the Budget to the House, and I have again to express my most grateful thanks for the courtesy, attention and patience with which you have heard me.

Mr. A. K. MACLEAN (Halifax): Mr. Speaker, during the day the Prime Minister and the Minister of Finance were good enough to agree to the adjournment of the debate this evening until to-morrow, if we upon this side of the House so desired, and I wish to acknowledge their courtesy in that regard. It has come to my attention, however, that a great number of hon. gentlemen upon this side of the House desire that the debate shall be resumed, not to-morrow, but after the Easter holidays, upon a date to be fixed by the Government. In any event, the debate cannot be concluded before the adjournment on Wednesday of this week, and I think it would be just as well if the debate were adjourned at this stage, as to-morrow or the following day. Further, a great number of the members of the House who live at a distance from Ottawa, will be leaving to-morrow, and I imagine that there will be a very small attendance in the House. I trust, therefore, the Prime Minister will agree that the debate be adjourned this evening, to be resumed on, say, Thursday of next week.

It was suggested to me by the hon. member for St. Antoine (Mr. Ames) that, in the event of an adjournment this evening until next week, it would be but fair that the Prime Minister should be advised by the Opposition of any amendment contemplated to the resolution just moved by the Minister of Finance. I have conferred with the leader of the Opposition upon this point, and I am in a position to say that, in the event of such an adjournment being granted, he will be pleased to communicate the substance of any amendment which may be contemplated by the Opposition. I trust that my suggestion that the debate be adjourned till Thursday of next week will be favourably received by the Government.

Mr. SPEAKER: I think it would not be quite regular to move that the debate be adjourned to any specific date.

Mr. A. K. MACLEAN: I would move the adjournment of the debate.

Mr. BORDEN: I understand that it would not be very convenient for some hon. gentlemen on this side of the House who intend to speak immediately after my hon. friend (Mr. A. K. Maclean), to have the debate resumed upon the day which he suggests. The most we can do for the present is to agree to the motion for the adjournment of the debate. We will not ask my hon. friend to go on to-night, and we can discuss the other matter later.

Motion agreed to, and debate adjourned.

SUPPLY.

The House in Committee of Supply, Mr. Blondin in the Chair.

Indians—Relief, medical attendance and medicines, Quebec, $10,200.

Mr. BELAND: Has the minister special physicians to attend the Indians in Quebec, and, if so, who are they and what are their salaries?

Hon. W. J. ROCHE (Superintendent General of Indian Affairs): The men on salary are Dr. Constantine, Pointe Bleue, $500; Dr. Claveau, Chicoutimi, $200; Dr. Allard, Urbain, $100; Dr. Wilson, Oka, $100; Dr. McDuff, Galops River, $200; Dr. McDougall, Seven Islands, $450; Dr. Boucher, Lorette, $700; Dr. Bossé, Bersimis, $1,000; Dr. McCartney, Gaspé, $80. Other physicians are paid for attendance given to Indians, authorized by the agent according to a specified scale.

Mr. MARCIL: Is there a permanent physician for the Restigouche reserve?

Mr. ROCHE: No.

Mr. MARCIL: What arrangement is there at that place? It is a very large reserve.

Mr. ROCHE: No arrangement has yet been made for a permanent physician. Whenever a physician is required he is called in.

Mr. MARCIL: I understand that Dr. Pinault, the former physician, was summarily dismissed. He is one of the most

distinguished physicians in the province of Quebec, a former house surgeon of the hospital at Quebec. He was physician in charge of these Indians, but was summarily dismissed without investigation or a chance to say a word in his behalf, and a new medical man was appointed but refused to accept the position. Dr. Price, I think, was the man who refused. It was then passed over to Dr. Martin. I do not know who the physician is now, but I understand that the position is very unsatisfactory and may cost the department more than under the old system.

Mr. ROCHE: This is the first time this has been brought to my attention; it must have been before my time. However, I shall make inquiries. I have not had any personal complaint in regard to medical attendance there; but I understand that no appointment has been made.

Mr. BELAND: Has the minister before him the total number of Indians in Quebec?

Mr. ROCHE: The number is 14,842.

Indians—Relief, medical attendance and medicines, Ontario, $6,975.

Mr. BELAND: What is the number of Indians in Ontario.

Mr. ROCHE: 26,077.

Mr. BELAND: A good many more than in Quebec.

Mr. NESBITT: Does the Department supply medicines for the Indians around Brantford?

Mr. ROCHE: No, they pay for their own medicines.

Mr. NESBITT: These are the backwoods' fellows?

Mr. ROCHE: Yes, who are not able to pay for themselves.

Indians, Ontario and Quebec—general legal expenses, $5,500.

Mr. NESBITT: What do you do with legal expenses for the Indians; do they go to law?

Mr. ROCHE: Sometimes they are very fond of it.

Sir WILFRID LAURIER: I know that the department sometimes adjudicates on very important matters. Could the minister inform me of the present situation of the lawsuit between the Oka Indians and the Seminary with regard to the title to their land?

Mr. ROCHE: It will be noticed that there is a decrease of $8,000 in this vote. That decrease is owing to the lawsuit to which the hon. gentleman referred. The case was carried to the Privy Council, and judgment given for the Seminary and against the Indians.

Sir WILFRID LAURIER: Has any action been taken since, or have the Indians accepted the decision and will they abide peaceably by it?

Mr. ROCHE: They have shown no disposition to abide peaceably by it. A deputation of Oka Indians was up to interview me, and we are now carrying on negotiations through the solicitor, Mr. Geoffrion, with a view to an amicable arrangement with the Seminary regarding certain land which the Indians are desirous of obtaining.

Mr. MARCIL: Will the minister give a list of the lawyers to whom money was paid last year?

Mr. ROCHE: G. C. Judd, $401; Mr. Geoffrion et al, $5,173; Chas. Russel & Company, London, England, $1,675; Smith, Markay et al, $3,142; G. Gaudet, $90; Morgan, Price & Company, $66.25; L. Cousineau, $410; J. C. Langlois, $118; John S. Fraser, $274; R. V. Lesueur, $1,278; Joseph G. Bayliss, $18.63; H. Williams, $55; F. W. Wilson, $442; Louis Boyer, K.C., $17.50.

Mr. MARCIL: Were there no legal expenses in the district of Gaspé at all?

Mr. ROCHE: No.

Mr. MARCIL: The rumour is revived every year that owing to the proximity of the Restigouche reserve to the town of Campbellton it would be in the interest of the Indians to have the reserve removed to some other locality.

Mr. ROCHE: I understand that a saw-mill firm wanted to secure a portion of the reserve for a planing mill, but the Indians have expressed their unwillingness to surrender.

Mr. MARCIL: A portion of the reserve is now held by the Baie des Chaleurs mill, and I understand that a proposal was made by another saw-mill firm to take the rest of the reserve. The department has refused I understand.

Mr. ROCHE: It has, because the Indians refused.

Mr. LEMIEUX: If the department decides to transfer a part of the reserve the minister will, of course, get the consent of the tribe. I read a letter in the House a few days ago from the chief of the Caughnawaga tribe and I think it would be well if the minister would make some reassuring statement in regard to that.

Mr. ROCHE: The department have no authority to take away any property of the Indians without their consent. My hon. friend is referring to the letter the chief of the Caughnawaga tribe wrote in connection with amendment to the Act made in 1911 by my predecessor. Where land is required for public purposes it is secured, if not provided for by the expropriation provisions of the Indian Act, through the agency of the Exchequer Court which holds an inquiry as to the expediency of the sale. It allots a counsel to the Indians, hears evidence and then refers the matter to the Governor in Council who in turn refers it to Parliament. Parliament has to pass upon the sale before the lands are disposed of.

Mr. MARCIL: Was the application for the Restigouche reserve made by an American or a Canadian company.

Mr. ROCHE: So far as we know, it was made by a Canadian company.

Mr. MARCIL: There is no intention on the part of the minister to change the law with regard to getting the consent of these Indians?

Mr. ROCHE: No.

Sir WILFRID LAURIER: What is the object of the amendment to the Indian Act?

Mr. ROCHE: The Act at present provides that when an Indian reserve or part of a reserve is required adjacent to a city or town of 8,000 population or over the land can be secured by reference to the Exchequer Court. The amendment widens that, giving us power to secure lands whether adjacent to a city of 8,000 population or under.

Mr. MARCIL: Under that amendment this reserve can be secured.

Mr. ROCHE: Not until the Exchequer Court and Parliament pass upon it.

Mr. MARCIL: There is no procedure of that kind under way in this case?

Mr. ROCHE: No.

Indians, Ontario and Quebec—Repairs to roads and drainage, $2,600.

Sir WILFRID LAURIER: This sum is for the usual drainage and road making, I suppose? There are some reserves in the province of Quebec in which it is a constant complaint that the roads passing through the reserve are not kept in repair. In the Caughnawaga reserve, for instance, the roads are in a very bad condition and are a serious impediment to traffic. I do not know whether that matter has been called to the attention of my hon. friend.

Mr. ROCHE: One thousand dollars of this vote will be spent on the road through the Caughnawaga reserve.

Mr. MARCIL: Is anything to be spent on the Maria reserve?

Mr. ROCHE: No. We have that reserve under consideration and may have something for it in the Supplementaries.

Mr. MARCIL: Is part of this money to be spent on the main highway in Restigouche or is it for a new road?

Mr. ROCHE: It is to improve the existing road.

Mr. MARCIL: The presence of that sawmill on the Restigouche reserve has been a constant source of trouble between the proprietor of the mill and the Indians. During the time I had something to say in the matter I used to get a letter or two every week. The Indians were constantly complaining to the department on questions between the proprietors of the mill and themselves.

Mr. ROCHE: There are no complaints now.

Mr. LEMIEUX: My hon. friend was speaking of the Caughnawaga Indians reserve. I wish to thank him for what he did towards maintaining the little hospital down there. The ladies who devote themselves to the Indians hope that the amount will be increased a little next year.

Mr. MARCIL: Has the minister the total amount spent for medical attendance on the Restigouche reserve?

Mr. ROCHE: Drs. F. J. Desmond, $10; A. Martin, $208.50; L. G. Pinault, $37.25; J. Price, $13.

Mr. MARCIL: Does the minister not think that the department and the Indians

would be better served if one doctor was appointed for each reserve, rather than having three or four doctors runing around from place to place.

Mr. ROCHE: Generally speaking I think it would be better, and I will make inquiries with a view to adopting that suggestion.

Mr. MARCIL: I hope the minister will see his way to reappointing Dr. Pinault, who is recognized as one of the best men, and he has certainly given satisfaction to the department in the past.

Indians, Ontario and Quebec—General expenses, $46,075.

Mr. NESBITT: What is that item for?

Mr. ROCHE: From this vote the whole cost of the administration in Ontario and Quebec is paid in the various Indian agencies. The Indian reserve population is about 26,000.

Mr. NESBITT: This is for officials?

Mr. ROCHE: Officials, office rent, travelling expenses and the general expenses in connection with the running of the various agencies.

Mr. MARCIL: Is any increase contemplated in the salaries of the Indian agents, school teachers, etc.?

Mr. ROCHE: Not in the main Estimates.

Indians, Nova Scotia—Salaries, $1,600.

Mr. A. W. CHISHOLM: What are these salaries for?

Mr. ROCHE: These salaries are for the agents in the various counties.

Mr. A. W. CHISHOLM: Would the minister give the names of the agents?

Mr. ROCHE: The list is as follows:

	1914-1915.
Geo. Hoyt, Annapolis	$ 50
R. A. Harris, Digby	100
C. E. Beckwith, Kings	100
C. Harlow, Queens	100
N. P. Freeman, Lunenburg	100
D. Chisholm, Halifax	100
A. Wallace, Hants	50
Joseph Stephens, Windsor, Hants	50
R. H. Smith, Colchester	50
J. A. Johnson, Cumberland	100
Rev. J. D. McLeod, Pictou	100
John Cameron, Antigonish and Guysborough	100
R. L. McDonald, Richmond	100
Rev. D. McPherson, Inverness	100
C. J. Sparrow, North Sydney and Sydney	100
Rev. D. J. McIntosh, Victoria	100
W. H. Whelan, Yarmouth	50
John Hipson, Shelburne	$ 50
A. R. McDonald, Eskasoni reserve, Cape Breton county	100

Mr. CARROLL: What are the duties of these agents?

Mr. ROCHE: They assist destitute Indians, see that they are supplied with provisions and look after the general administration of the Indian agencies.

Mr. STANFIELD: How is it that in some counties they get $50 and in others $100?

Mr. ROCHE: In some agencies there are far more Indians than in others and considerable more work to do.

Mr. W. CHISHOLM: Is that $100 a month?

Mr. ROCHE: No, a year.

Mr. W. CHISHOLM: When was Dr. J. J. Cameron appointed for Antigonish and Guysborough and whom did he succeed?

Mr. ROCHE: He succeeded Mr. W. C. Chisholm, who resigned a few months ago.

Mr. SINCLAIR: How many Indians are there is Nova Scotia and is the number increasing or diminishing?

Mr. ROCHE: They are just about holding their own. There are 2,018 in the province.

Mr. CARROLL: Is Dr. Sparrow, Sydney, medical doctor for the Indians there?

Mr. ROCHE: Yes.

Mr. CARROLL: Is he also Indian agent?

Mr. ROCHE: Yes.

Mr. CARROLL: Is that customary?

Mr. ROCHE: Yes, his predecessor was just the same.

Mr. W. CHISHOLM: Who is the medical attendant for Antigonish and Guysborough, and when was he appointed?

Mr. ROCHE: W. F. McKinnon, salary $250.

Mr. CHISHOLM: Who was the medical attendant appointed in the fall of 1911 and why were his services dispensed with?

Mr. ROCHE: I have not the information here regarding that, but I will let the hon. gentleman know later on.

Mr. CHISHOLM: Will the minister bring down the information as to why the first appointee was Dr. J. J. Cameron, and why his services were dispensed with, and when?

Mr. ROSS: I understand that the medical attendant on the Muncey agency has been changed since September 1911, and I would like to ask why that medical attendant was changed, and what rate the former medical attendant was paid, and what rate the present medical attendant is receiving.

Mr. ROCHE: I believe the medical man previously on that reserve was Dr. Mitchell. I think his salary was $500. He has been succeeded by Dr. Wood, and I think his salary has been somewhat increased.

Mr. ROSS: Is that the same Dr. Wood who was in charge of the patronage in West Middlesex?

Mr. ROCHE: No, I understand that Dr. Wood resigned any patronage that he may have had.

Mr. ROSS: Can the minister inform me on that point?

Mr. ROCHE: No, I cannot.

Mr. ROSS: I think it would be well for the Minister to look into that matter.

Mr. ROCHE: I know that he was informed by me that he would have to drop that part of the business.

Mr. ROSS: If the minister will make inquiries he will find that Dr. Wood has been dispensing the patronage in that district in violation of the rule laid down by the Government that a public official shall not take part in politics. It will be found that he has been guilty, while being a servant of this Government, of being an active participant in political matters, and that therefore, according to the rule which has been laid down, he merits dismissal from his position. I do not think that the information the minister has given me is quite correct in regard to the doctor whom Dr. Wood succeeded. I would like to know why Dr. Dewar was dismissed and why Dr. Wood succeeded him and whether there is any difference in their remuneration?

Mr. ROCHE: I understand that there were two medical men previously—Dr. Mitchell and Dr. Dewar. There were a great many complaints in as to the unsatisfactory service they were rendering.

Mr. ROSS: In writing?

Mr. ROCHE: I am not sure whether they were in writing or not, but I am inclined to think that some complaints were made to me personally in regard to them.

Mr. ROSS: If they were in writing will the minister lay them on the table?

Mr. ROCHE: Yes. They were succeeded by Dr. Wood.

Mr. ROSS: What is the difference in remuneration?

Mr. ROCHE: Dr. Wood is getting $150 more than his predecessors.

Mr. ROSS: Will the minister kindly verify that for me?

Mr. ROCHE: Yes.

Mr. W. CHISHOLM: Is there any regulation which prevents an Indian agent himself supplying goods to the Indians and then charging them up to the Government?

Mr. ROCHE: The regulations of the department do not permit an Indian agent to sell direct to the Indians himself, and to then be paid by the Government.

Mr. W. CHISHOLM: Either directly or indirectly?

Mr. ROCHE: Yes.

Mr. ROSS: What was the complaint against Dr. Dewar and Dr. Mitchell?

Mr. ROCHE: I think the change took place when I was not in the country, but I remember there was a Dr. Mitchell in western Ontario against whom complaints were made of inattention to his duty, and that he seldom responded to a call when he was sent for. Unless there are two doctor Mitchells there, this is the one.

Mr. ROSS: What about Dr. Dewar?

Mr. ROCHE: I have no recollection at all about his case.

Mr. ROSS: Was it because Dr. Dewar was just charged with being a Liberal?

Mr. ROCHE: I do not know anything about that case at all.

Mr. CARROLL: How many superintendents of Indian agencies are there in Nova Scotia?

Mr. ROCHE: Mr. Boyd is the only one.

Mr. CARROLL: Are all the Indian agents practically under his jurisdiction?

Mr. ROCHE: He has general supervision over all the agencies.

Mr. CARROLL: What repairs were done to the Indian council-house at Chapel Island in Richmond county, and what is the council-house used for?

Mr. ROCHE: The Indians for many years past had a general council-house there, at which they met at least once a

10 p.m.

year to hold a mission and conduct their business. It was destroyed by fire, and they having no financial resources sufficient to build, we agreed, if they furnished the material, to supply them with skilled labour, etc.

Mr. ROSS: Are the medical attendants of the Indians paid a fixed salary, and is there something extra allowed them in case of epidemics?

Mr. ROCHE: The medical attendant is paid a fixed salary for normal attendance, but if there is an epidemic, or if he has heavy operations to perform, which cause abnormal conditions, an extra allowance is sometimes made.

Mr. ROSS: How much has Dr. Woods been paid since he was appointed by this Government as medical attendant to the Indians in Middlesex county?

Mr. ROCHE: I have not the information at hand.

Indians, N.S.—Relief and seed grain, $6,000.

Mr. A. W. CHISHOLM: What is this money used for?

Mr. ROCHE: The greater part of this expenditure is for the relief of aged Indians, repairs to houses, and so on. Very little of it is used for seed grain.

Mr. SINCLAIR: How is the seed grain distributed?

Mr. ROCHE: By the Indian agent, who recommends the distribution.

Indians, N.S.—To provide for the encouragement of agriculture, $1,000.

Mr. A. W. CHISHOLM: How much is paid the teacher at Whycocomagh to teach the Indians how to cultivate the land?

Mr. ROCHE: I cannot find from the Auditor-General's Report that we paid him anything for that service last year.

Mr. WILLIAM CHISHOLM: There is $1,000 for encouragement to agriculture and $1,500 for Indian agents, so that it would look as if the agents were the wards of the nation and not the Indians. If you are going to do anything serious towards encouraging the Indians to take an interest in farming, you will have to make a larger appropriation for the purpose than $1,000; you will have to give them implements in the first place. If you divide $1,000 between the different agencies, it will amount to a very small sum for each. I think that vote should be increased.

Mr. ROCHE: Probably the Indians are so thrifty they do not require very much Government assistance in that line.

Mr. W. CHISHOLM: Perhaps the minister thinks that the reduction in agricultural implements promised in the Budget speech to-day will enable them to get along without an increased grant.

Mr. ROCHE: I have here a list of their increased crops—5,510 bushels of potatoes, 178 bushels turnips, 620 bushels oats, 40 bushels barley, 12½ bushels corn, 35 bushels beans, 53 bushels apples. So they are doing very well.

Indians, Nova Scotia—Medical attendance and medicines, $5,000.

Mr. SINCLAIR: Will the minister please give the names of the doctors and their salaries?

Mr. ROCHE: Drs. J. A. McDonald, Richmond, $250; Geo. McNally, King's West, $200; A. M. Hebb, Lunenburg East, $50; C. S. Marshall, Lunenburg West, $60; H. N. McDonald, Whycocomagh Reserve, Inverness, $175; J. G. Macauley, Malagawatch Reserve, Inverness, $100; Hector A. Grant, Victoria, $325; C. J. Sparrow, Cape Breton, $350; W. F. McKinnon, Antigonish, $250; C. H. Morris, Martook, Hants Co., $75; J. McKenzie, Pictou, $200; R. Withers, Lequille, Annapolis, $50; J. A. Sponagle, Middleton, $50; H. V. Kent, Colchester, $150; E. O. Hallett, Weymouth, Digby county, $100; C. C. Archibald, Bear River, $250; T. R. Ford, Milton, Queens county, $100; W. H. Cole, Bridgewater, Lunenburg, $50; —. ——, Parrsborough, Cumberland, $200; A. Culton, Shubenacadie, Hants, $150; W. B. Moore, Kings East, $200.

Mr. LAW: Has any appointment been made in place of Dr. Millar, at Tusket in Yarmouth county? He resigned and went away?

Mr. ROCHE: I think Dr. Bethune was appointed in his place.

Mr. MACDONALD: Is there any proposal to purchase any additional land in connection with the reserve at Pictou Landing?

Mr. ROCHE: No. I do not remember any such application.

Mr. W. CHISHOLM: In some places, particularly in Antigonish county, there

are Indian reserves on which the hay is let year after year. I had a question on the Order Paper earlier in the session whether it was proposed to let the Indian reserve at Heatherton. I think the answer was that the matter was under consideration. I desire to know whether the minister will call for tenders or whether the agent will have the privilege of farming it out as he has done before?

Mr. ROCHE: I understand this is a small affair, but it is proposed to ask for tenders.

Indians, Nova Scotia—Repairs to roads and dyking, $600.

Mr. A. W. CHISHOLM: Will the hon. minister please state what amount is spent at the Indian reservation in Inverness county?

Mr. ROCHE: Malagawatch reserve, $204.38; Middle River reserve, $1,999.93; Whycocomagh reserve, $101.61.

Mr. A. W. CHISHOLM: Can the minister give me the names of those who supervised the work?

Mr. ROCHE: The Auditor General's Report does not contain the names, but I can get them if the hon. gentleman desires it.

Mr. ROSS: At what date was Mr. Woods informed that he would have to 'drop his connection with patronage?'

Mr. ROCHE: I cannot remember the date. But I remember that he wrote me that he was occupying a position with respect to party politics and asked my opinion as to his retaining it. I informed him that he must drop it, that no person occupying a position under the Government should have to do with party politics. And I understand he has followed that direction.

Mr. ROSS: On the 8th of November, 1913, he wrote a letter asking that a certain postmaster be dismissed. So that in November last, Dr. Woods, while Indian medical attendant, was interested actively in politics, so actively that he was controlling the patronage in the district. If the minister wrote him to observe the rule against political partisanship and he did not observe that rule, I think that the minister should take means to enforce the law on the subject. Surely, the minister will see the propriety and necessity of such action.

Mr. ROCHE: That was nearly five months ago, and I am sure that it was since that date that I first learned of the position he held. Of course, as soon as it was brought to my attention—and I could not act any sooner—I gave him his instructions, and I am confident he has lived up to those instructions since that time.

Mr. ROSS: The minister will let me know if it was really before that date?

Mr. ROCHE: Yes.

Mr. A. W. CHISHOLM: What provision has the minister made for the roads on the Whycocomagh reserve?

Mr. ROCHE: It is expected to spend $300 there.

Mr. CHISHOLM: There are two miles of road through this reservation and it is in very bad condition.

Indians, Nova Scotia—Rebuilding Indian council house, Chapel island, $2,500.

Mr. CARROLL: Will the minister advertise for tenders for this?

Mr. ROCHE: We frequently put up these buildings by means of Indian labour and do not find it necessary to call for tenders when only a small amount is involved. We will consider what particular form this should take, but perhaps the most economical way will be to use Indian labour.

Mr. SINCLAIR: Is this the first time that the department has built a council house for the Indians in Nova Scotia?

Mr. ROCHE: Probably it is the first time, but the council house was burned down and inasmuch as the Indians have no funds of their own they cannot rebuild for themselves.

Mr. CARROLL: The only building that was burned down there, to my knowledge, was an old church.

Mr. ROCHE: I understand that there is a church at the same place; it is called Burnt church. I do not know whether or not it is utilized for church purposes.

Mr. CARROLL: If this vote is for the purpose of rebuilding the Indian chapel on Chapel island, the amount is not too large, but if it is for the building of an ordinary council house I think $2,500 is a rather large amount. You can build a magnificent residence in that part of the country for $2,500.

Mr. ROCHE: The whole of this amount may not necessarily be expended.

Indians, New Brunswick—Repairs to roads, $450.

Mr. MICHAUD: A piece of road called the main road runs along the Indian reser-

vation in the county in which I live, for a distance of a mile or a mile and a half. I would call the attention of the minister to the fact that the money which is voted comes along in the month of July or August when it is practically too late to be of any real benefit. If we could get it in May or early in June so that it could be spent in the early part of the season it would be of much greater benefit.

Mr. ROCHE: Of what reserve is the hon. gentleman speaking?

Mr. MICHAUD: The Edmonton reserve. We get money from the department every second year, as a rule; we should have it every year. The municipalities spend a certain amount of money on this road, but we can get no assistance from the province, and early in the spring and well into the summer the road is usually in a very bad condition.

Indians, Manitoba, Saskatchewan, Alberta and Northwest Territories—Live stock, $9,480.

Mr. WARNOCK: What is this item for?

Mr. ROCHE: Pure bred livestock.

Mr. WARNOCK: On the Peigan reserve during the last two or three years a large number of the mares and stallions belonging to the Indians have been destroyed because of their having contagious diseases, and compensation has been paid by the Government. Does that money pass into the hands of the Indians, or into the hands of the Indian agent in trust?

Mr. ROCHE: It is paid to the Indians through the agent.

Mr. WARNOCK: Some of these animals are owned by the Indians, and others are owned by the department. In the case of their being owned by the department, I presume the money compensation made in such instances is reinvested in stallions for the use of the Indian reserve?

Mr. ROCHE: The Indians have the privilege of utilizing this money in any way they choose, and they can utilize it by reinvesting it, if they so desire, in the purchase of other animals.

Mr. WARNOCK: But not necessarily?

Mr. ROCHE: No.

Indians, Manitoba, Saskatchewan, Alberta and Northwest Territories.—Supplies for destitute Indians, $142,148.

Mr. DOUGLAS: This is a large item; will the minister give the committee some explanation?

[Mr. Michaud.]

Mr. ROCHE: The amount for Manitoba is $33,062; for Saskatchewan $109,086 and for Alberta $104,000.

Mr. DOUGLAS: What is a destitute Indian?

Mr. ROCHE: One, who, by reason of physical disability or other cause, is unable to provide for himself and must be cared for by the department.

Indians, Manitoba, Saskatchewan, Alberta, and Northwest Territories—Hospitals, medical attendance, etc., $104,042.

Mr. DOUGLAS: Are these hospitals on the Indian reserves?

Mr. ROCHE: Where there are Indian hospitals they are located on reserves, but some Indians are committed to other hospitals and we have to pay for attendance.

Mr. DOUGLAS: I see by the Auditor's Report items of six hundred pounds of tea supplied by H. N. Bate and Sons of Ottawa for the Duck Lake agency in Saskatchewan and blankets supplied by G. M. Garland and Son of Ottawa. Then Greenshields of Montreal supply goods there. Is there not some mistake or why are these goods purchased at such a distance from the reserve?

Mr. ROCHE: These are all purchased by tender and these are the lowest tenderers. When they are purchased in the East they are delivered in Winnipeg where we have a warehouse, and we pay the freight from there to the reserves.

Indians, British Columbia—Travelling expenses, $16,000.

Mr. SINCLAIR: Would the minister explain this?

Mr. ROCHE: We have a number of agents in British Columbia who travel a good deal inspecting. Then there is a good deal of travelling in connection with the maintenance of law and order, the prevention of intoxicants, etc. The distances in British Columbia are greater than in the other provinces and the travelling expenses are heavier.

Mr. DOUGLAS: I understand that the agent at the Hobbema reserve, Mr. Mann, was relieved of his office. He had been in the service thirty-five years, his health had broken down and I understood the department intended to show some special consideration to him.

Mr. ROCHE: Mr. Mann is a very old official and has been retained in an advisory capacity at a salary of some $600.

Mr. DOUGLAS: That is all right.

Indians, British Columbia—Surveys, $10,000.

Mr. DOUGLAS: What is meant by surveys?

Mr. ROCHE: The surveying of Indian reserves.

Indian education, $948,115.

Mr. A. W. CHISHOLM: Who is the Indian teacher at Malagawatch reserve, Nova Scotia?

Mr. ROCHE: I am not able to give the information just at the moment. I understand the school is closed at the present time.

Mr. A. W. CHISHOLM: Was there a teacher there last season?

Mr. ROCHE: I can get the information for my hon. friend later on.

Mr. A. W. CHISHOLM: I will come to the rescue of the minister. My information is that a young Indian teaches there and I would like to know whether he has the necessary qualications.

Mr. ROCHE: I will get the information.

Mr. CARROLL: I would like to refer to a matter that has been brought up in this House before. I refer to the teacher at St. Peter's. Provincial inspector of schools, Mr. T. J. McNeil, refused to visit or have anything to do with the school on the ground that the teacher was not qualified. This young man was appointed after Miss Devereaux's dismissal and I would like to know whether he has the necessary qualifications now.

Mr. ROCHE: I cannot tell the hon. member.

Mr. CARROLL: It is a rather peculiar state of affairs if we are to pass estimates for Indian education all over the country without being in a position to know whether the teachers are qualified. I think the minister should be in a position to tell me whether licensed teachers or backwoodsmen are teaching the children in the province of Nova Scotia in which I am interested.

Mr. ROCHE: I understand that no teacher is employed in any school unless he is properly qualified.

Mr. CARROLL: Last year it was proved to the hilt in this House that the young man succeeding Miss Devereaux was not qualified under the Provincial Education Act of Nova Scotia.

Mr. ROCHE: I have a hazy recollection of having read the papers in connection with that and of the discussion that took place. I understand that Miss Devereaux was dismissed for very strong reasons, opening school after ten o'clock in the morning—

Mr. CARROLL: I am not finding fault with her dismissal, but with the fact that the person appointed in her stead was not qualified. The provincial inspector of schools refused to visit the school on that account. Has the department seen to it that that school has now a qualified teacher?

Mr. A. W. CHISHOLM: I think the minister will find he has something to attend to with respect to the qualification of teachers for Indian schools. It is all very well to say that a teacher is qualified because somebody else says so, but there are certain qualifications required by the Provincial Education Acts, and the minister cannot hope to have Indian schools in their proper condition unless he sees that every teacher possesses the recognized qualifications. I cannot understand how this Malagawatch teacher can have the qualifications. I had the opportunity of recommending a couple of men myself as teachers at Indian schools, but I took very great care that the persons I recommended were qualified under the provincial law.

Mr. ROCHE: I understand that teachers are appointed on the recommendation of the Indian agents and inspectors. Personally, I am not aware of any complaints having been made to the department with regard to the qualifications of those teachers, except the case that came up last year, and I am not sure whether that particular teacher is still employed. Perhaps he is better qualified by this time. It is not so very unusual a thing to have an Indian teacher.

Mr. A. W. CHISHOLM: I quite recognize that. I am not reflecting on his appointment because he is an Indian, but I know this man very well, and I can hardly see how he could possess the qualifications. That is just the point. Men are sent out to teach without the necessary license. It is quite possible that that may be done successfully in some cases, but it is opening the door to a very dangerous practice. It is quite possible that politics may enter into this thing and that an inspector may

be induced to recommend a person who has not the necessary qualifications, but if that practice is to be followed there will be a great deal of trouble.

Mr. ROCHE: We have adopted a rule to have qualified teachers wherever possible, but in some cases we are not able to get qualified teachers for Indian schools, then we get the best qualified person we can.

Mr. DOUGLAS: How is this money distributed between the provinces?

Mr. ROCHE: Ontario, $126,825; Quebec, $12,040; Nova Scotia, $5,125; New Brunswick, $6,525; Prince Edward Island, $400; Manitoba, $249,280; Saskatchewan, $157,095; Alberta, $138,175; Northwest Territories, $18,100; British Columbia, $216,800; Yukon, $9,750; generally, $8,000.

Mr. SINCLAIR: How many teachers are employed on the staff, and what grades do they teach?

Mr. ROCHE: There are 249 day schools, 58 boarding schools, and 19 industrial schools, or a total of 326.

Mr. DOUGLAS: Has industrial school education proved satisfactory?

Mr. ROCHE: In some places very satisfactory.

Mr. DOUGLAS: It is a most expensive system of education, is it not?

Mr. ROCHE: It is a somewhat expensive method, but it is very useful in teaching the Indians to better their position and to fit them for various occupations.

Mr. DOUGLAS: The school at Elkhorn appears to be doing good work. If more of that type of school were established, you could probably do away with some of these day schools. The industrial schools might require more highly paid teachers because they have to be specialists in their way. The boys are fitted for work that will bring them good wages if they wish to follow any particular occupation, and the girls are taught sewing and house work.

Mr. ROCHE: Elkhorn is the model of all the industrial schools.

Mr. CARROLL: Would the minister get me the information I asked for in reference to the teacher at St. Peter's? Personally, I have no interest in the matter, but I have been asked to mention it to the minister.

Mr. ROCHE: I have made a note of it.

[Mr. A. W. Chisholm.]

Indians—A. J. Boyd, inspector of Maritime provinces, $1,600; timber inspector and valuator, $1,200.

Mr. CARROLL: What are the duties of the timber inspector?

Mr. ROCHE: A. J. Boyd is the name of the inspector, and he is the superintendent for New Brunswick and the other Maritime provinces. He has charge of all the agencies. The timber inspector and valuator is Mr. George Shaw, of Thessalon, and he receives $1,200. There are about 400 lots unsurrendered and unsold in the Indian lands on the north shore of Lake Huron, and Mr. Shaw's duty is to value the timber on the lots disposed of.

Payment to Indians surrendering their lands, under provisions of section 70, of the Indian Act, which will afterwards be repaid from the avails of the land, $50,000.

Mr. SINCLAIR: What lands are referred to there?

Mr. ROCHE: When we ask the surrender of any land under the Indian Act, the Indians are entitled to fifty per cent of the proceeds of the sale, and this is the appropriation out of which that amount is paid.

Mr. DOUGLAS: Could the minister tell me whether any lands will be sold in Alberta this coming year?

Mr. ROCHE: There have been some surrenders near Calgary, on the Sarcee, but we have not decided as to when the sale shall take place.

Mr. SINCLAIR: What is the estimate by which the minister arrives at $50,000.

Mr. ROCHE: This is the item which has been voted year after year.

Mr. SINCLAIR: Do I understand that this is a fund to be at hand when it is wanted for the purpose of paying for Indian lands that are sold.

Mr. ROCHE: It is for the purpose of advancing cash payments to the Indians at the time of surrender.

Relief to destitute Indians in remote districts, $35,000.

Mr. LEMIEUX: What do you call remote districts?

Mr. ROCHE: In the northern territories, such as Ungava and the Mackenzie Basin.

Indians—To prevent spread of tuberculosis, $10,000.

Mr. A. W. CHISHOLM: What is being done to prevent the spread of tuberculosis?

Mr. ROCHE: This vote is to provide hospital treatment for those who can avail themselves of it, methods of sanitation, the destruction of infected houses and the re-building of others to combat the spread of the disease. We intend to give rather more attention to this phase of the work in future than we have in the past. We have had a number of complaints that tuberculosis is very prevalent on some of the reserves, and we are endeavouring to teach the Indians the necessity for sanitation with a view of stamping out this disease.

Mr. CHISHOLM: Is tuberculosis supposed to be decreasing among the Indians? We are told that the Indians are peculiarly the victims of this disease.

Mr. ROCHE: It has not decreased, I am sorry to say.

Mr. LEMIEUX: While the population is increasing.

Mr. ROCHE: Very little.

Grant to assist Indian Trust Fund Account $310—Suppression of liquor, $6,000.

Mr. CARROLL: What is this for?

Mr. ROCHE: This is intended to assist the Indian Trust Fund, which receives credit of a moiety of the fines imposed and bears the expenditure of preventive, detective and police service in carrying out the law and in preventing the illegal sale of liquor to the Indians.

Mr. CARROLL: Is anything done by the department to prevent the sale of liquor to Indians in the Maritime provinces?

Mr. ROCHE: The officials of the reserves attend to that.

Mr. CARROLL: Who looks after that in the city of Sydney?

Mr. ROCHE: The agent resides close to the reserve there.

Mr. CARROLL: I would not blame the agent for not spending very much of his time endeavouring to detect those who sell liquor to the Indians. The situation in Sydney is peculiar. We are supposed to have prohibition, but, as a matter of fact, liquor is sold very openly, and unfortunately it is sold quite freely to the Indians. It is not a rare occurrence to see an Indian woman going around our streets drunk. Of course, the medical officer of the reserve cannot attend to that, but in a place like Sydney with a population of 20,000 and a large Indian reservation nearby, I should think the department ought to pay some small salary to, say a police officer, to take a special interest in that particular phase of the Indian question. The Indians, unfortunately, become very fond of intoxicating liquor and are seriously injured in every way through its use. On the Malagawatch and Whycocomagh reserves the danger is not so great because there is not such opportunity for the Indians on these reserves to obtain whisky. Those who sell liquor to Indians at Sydney are occasionally prosecuted, but the trouble is to find any officers who will take a special interest in enforcing the law.

Progress reported.

On motion of Mr. Rogers, the House adjourned at 11 p.m.

Tuesday, April 7, 1914.

The House met at Three o'clock, the Speaker in the Chair.

REPORTS AND PAPERS.

Reports of Experimental Farms for the year ended March 31, 1913.—Hon. Martin Burrell.

Papers relating to the Lobster Fishery Regulations established by Order in Council, 25th March, 1914.—Hon. J. D. Hazen.

PRIVATE BILLS.

FIRST READINGS.

Bill No. 150, to incorporate The Prudential Life of Canada.—Mr. Nickle.

Bill No. 151, for the relief of Charles Low Hutcheon.—Mr. Fripp.

Bill No. 152, for the relief of Jessie Eleanor Grassett Parkhurst.—Mr. W. H. Bennett.

Bill No. 153, for the relief of William Godfrey Thorp.—Mr. Carvell.

HOUSE OF COMMONS.

SALARY INCREASES.

Rt. Hon. R. L. BORDEN moved:

That it be resolved, that the recommendation of the hon. the Speaker, laid on the table of the House on the 2nd April instant, relative to the yearly increase in salary to certain officers and clerks and employees of the House, including a clerk in the Joint Distribution Office of the House of Commons and Senate, pursuant to section 37 of the Civil Service Amendment Act, 1908, be approved.

Motion agreed to.

Mr. BORDEN moved:

That a message be sent to the Senate to acquaint their Honours that this House has ap-

proved the recommendation of the hon. the Speaker of the House of Commons for the payment to a clerk of the Joint Distribution Office of the House of Commons and Senate, of the yearly increase in salary, pursuant to section 37 of the Civil Service Amendment Act, 1908.

Motion agreed to.

THE BUDGET.

Consideration of the motion of Hon. W. T. White (Minister of Finance) for the House to go into Committee of Ways and Means, resumed from Monday, April 6.

Mr. A. K. MACLEAN (Halifax): Mr. Speaker, in resuming the debate upon the Budget it is not my desire to detain the House at too great a length, although I confess that I probably shall require a considerable time to traverse some of the ground covered by the Minister of Finance yesterday. While we listened with a great deal of pleasure to the statement upon the affairs of the nation made by the Minister of Finance yesterday—and the statement is always important—it was quite obvious, I think, that he spoke with a great deal of restraint and with more or less trepidation. It contrasted greatly with similar utterances in years past when, relatively speaking, he appeared to be sailing on summer seas and under summer skies. Yesterday I thought the minister was rather apologetic for present conditions and rather fearful of conditions for the future. The hon. gentleman had much to apologize for and much to explain. The sins of omission and commission of the present Government are many and require a great deal of explanation. There are many promises unredeemed and many hopes unfulfilled in connection with the affairs of our country. While there is much in connection with the financial affairs of this country that we on this side of the House may severely criticise, and it is our duty as an Opposition to do so as fully but with as much fairness as we can; we nevertheless desire as much as do hon. gentlemen opposite, a speedy restoration to our former prosperity, a continuance of the splendid development that has marked us in the recent past. We are moved by the same pride in the future of our country as are hon. gentlemen opposite.

I now ask the consideration of the House while I briefly refer to the financial operations of the Government during the past year. The Government in this respect is justly subject to severe criticism. It is particularly censurable for its failure to anticipate eventualities which did not require much foresight and a lack of preparation to meet the financial conditions now prevailing. They had ample warning of the approach of a falling trade and revenue; in fact they were upon us when the Minister of Finance delivered his Budget last year. He knew the maturities to be refunded or redeemed and he knew exactly the extent of Government obligations assumed for the financial year just ended. Yet how inaccurate his estimate of the year's financial operations, or to put it in another form how impressive his failure to live up to his anticipations of a year ago. When delivering his Budget last year and in speaking of the estimates of revenue and expenditure for the past financial year, he said: 'Without attempting to forecast with any degree of accuracy, I feel confident that the revenues of the year will prove adequate to meet possibly the whole and certainly the greater portion of capital and special expenditure of the year.'

According to the statement submitted by the Minister of Finance yesterday afternoon the whole revenues of 1914 will be $163,000,000, whereas in 1913 they were $168,689,000. Consequently there was a decrease in revenue of over $5,000,000. He was not able to meet capital expenditure, which is the highest since the Confederation, being about $56,500,000, out of revenue, but only to the extent of $34,000,000, and was obliged to add to the net debt over $21,000,000. He was not able to meet any part of the special capital expenditures out of surplus, but was obliged to meet the same out of borrowings. For instance to pay the loan of $15,000,000 to the Grand Trunk Pacific and to purchase the so-called Grand Trunk Pacific Implementing bonds he was obliged to borrow, and the payments so made are called an investment, and do not appear as additions to the debt, but in reality they constitute additions to the gross public debt.

On the whole, it would appear that the year was quite a serious one for the Government so far as finance is concerned. We find that during the year three heavy permanent loans were effected abroad, by far the largest in our history. Temporary loans made by way of discount of treasury bills were made. During the year the following treasury bills were discounted:

August 25, 1913, £1,000,000, rate 4⅝ p.c.
September 17, 1913, £500,000, rate 4½ p.c.
September 17, 1913, £500,000, rate 4¾ p.c.
November 17 1913, £1,700,000, rate 4⅝ p.c. due November 9, 1914.

In addition to this there were at times

bank overdrafts reaching substantial amounts, and as well a temporary loan for four days of $1,250,000 at the interest rate of five per cent. The member for St. Antoine, I am sure, will tell us this was not good business, the discounting of treasury bills and the making of temporary loans in a year of financial stringency, because it curtailed the borrowing limits of Canadian bank customers. Then the Government were obliged to negotiate three permanent loans aggregating £12,000,000. They were as follows:

September 25, 1913, £3,000,000.
December 3, 1913, £4,000,000.
March, 1914, £5,000,000.

The first loan was issued at 99, the second at 97, and the third at 99. The total cost to the country of these three loans, including discount, was over $2,250,000. The effective rate of interest of the first loan is 4.200 per cent, the second 3.352 per cent, the third and last well over 4 per cent. Loans aggregating nearly $60,000,000 at over 4 per cent in one year is not an unenviable record.

Let us institute a comparison of the financial operations of the fiscal year just closed with the preceding year. It will appear interesting and more or less astounding.

The Consolidated Fund expenditure for 1914 exceeds that of 1913 by over $17,000,000, and is the highest increase of one year over the preceding year since Confederation.

In the fiscal year ending 1913 he had a surplus of fifty-six and one-half millions over Consolidated Fund expenditure, while in 1914, it will be $34,000,000. In the former year he had a surplus of nearly $24,000,000 over both capital and consolidated expenditure, this year he has a deficit of over $21,000,000. The member for St. Antoine said last year that unless revenue paid for both ordinary and capital expenditures there was a deficit, which we have, of $21,000,000.

In 1913 he liquidated debt maturities out of surplus to the extent of nearly $24,000,000, while in 1914 he paid maturities by reborrowing to the full amount, $9,720,000. In 1913 we had $25,617,000 to apply to the reduction of the net debt, this year there will be additions of $21,000,000 to the net debt. In 1914 we have the greatest increase to the gross debt since Confederation and the net debt of the largest additions in our history.

The Finance Minister will reply that the borrowings of the year were unavoidable, that we upon this side of the House when on the Treasury Benches were responsible for the initiation of special and capital expenditures which the present Government had to carry to a conclusion. My answer is that the Government should have anticipated a falling trade and revenue, and should have curtailed ordinary expenditures, thus providing a greater surplus over consolidated expenditure available for capital and special expenditures, and which would have lessened our borrowings for the year.

Consolidated Fund expenditure instead of exceeding by seventeen million dollars that of 1913, might well have been much lower.

We urged this last year. Instead, however of reducing ordinary expenditures, he asked Parliament for appropriations for 1913-14 on account of Consolidated Fund expenditure amounting to $143,212,184, and $59,443,000 for capital expenditures, not inclusive of special expenditures such as the purchase of the Grand Trunk Pacific implementing bonds, the loan to the Grand Trunk Pacific and the special subsidies to the Canadian Northern railway. It was a time for reduction in ordinary expenditure, and I say that policy should have been pursued. Instead we were obliged to make heavy borrowings aggregating £12,000,000. This could not but affect our credit and the credit of all classes of Canadian borrowers in a year of money stringency. In financial circles abroad and at home these frequent borrowings met with severe criticism, and this criticism doubtless affected our trade, our immigration and business generally. The maintenance of a high standard of our credit is of extreme importance. We are, and will continue to be for many years, a borrowing country. The largest item in our export trade is that of securities, and last year it amounted to nearly $375,000,000. A few years ago the member for St. Antoine quoted from Mr. E. R. Wood, of Toronto, a statement particularly applicable to-day in connection with the reputation of our securities and credit abroad. The statement made by Mr. Wood was as follows:

> In this crucial stage of our development I venture to say that the reputation of our securities is of greater moment than the reputation of our material products important as that always must be.

Undoubtedly Mr. Wood was correct in that statement. The greatest export which

Canada has to-day is the export of securities, and which amounted last year, to the United Kingdom alone, to $277,000,000. That is far greater in amount than the value of our exports of agricultural products, and there is no distinction between one and the other, except as to physical form. Wheat is a product we sell abroad, and for which we receive in return goods or credit. We export our securities, and we did so last year to the extent of $277,000,000, and we got back exactly what we get back when we export wheat, goods or credit power. Therefore it is extremely important that we maintain the reputation of the export of securities abroad, because it is our greatest export. It is by the export of securities alone that we adjust the great difference between our exports and our imports, what is ordinarily called the unfavourable balance of trade. The securities sold abroad are an export; the coupons attached to them are an import and you must take both into consideration when dealing with the national trade of this country. It was important that our borrowings last year be the minimum amount; and they might have been lower than they were, namely, £12,000,000, if there had been a lessened expenditure, which well might have been, and many of the capital and special expenditures, which had to be paid for out of borrowed money during the past year should have been provided for out of ordinary revenue.

There can be no doubt but that the credit of Canada was adversely affected by Government borrowings last year. That is the opinion abroad and at home, and the results will be felt even this year. It might have been largely avoided. Economies should have been practised. We remember how honourable gentlemen opposite, some of whom are now members of Government, protested against Government financial operations in 1909, when actual conditions were extremely favourable as compared with to-day. I wonder if their keen sense of the proprieties of Government finance were shocked last year? I wonder if we shall hear their protests, or shall we be obliged to be satisfied to observe their calm acquiescence.

And is the Government to pursue a sounder and safer course, economically, during the present year? There is little evidence of it. According to the main Estimates the Minister of Finance proposes for 1914-15 an increase of $3,573,000 in expenditure on consolidated fund account, which will doubtless be increased by supplementary Estimates to at least $10,000,000. It is true he proposes a reduction in capital expenditures of $11,920,000, but on the other hand we are likely to assume heavy special capital expenditures, as well as heavy bond guarantees, which will restrict the limit of Canadian borrowings for the year for other purposes, and thus affect our credit. I submit that there should be greater evidences of retrenchment in ordinary expenditures, especially those of an unproductive nature. I say the proposed estimates of expenditure for 1914-15 are, in all the circumstances, open to severe criticism, criticism that cannot be answered.

In 1909 we were suffering from a money stringency. Mr. Fielding reduced his Estimates for the fiscal year 1909-10 over the preceding year by $22,581,000, of which nearly $9,500,000 was for ordinary expenditure and not capital, and Mr. Fielding did actually reduce that year ordinary and capital expenditures by substantial sums. For this year the total reduction for consolidated and capital expenditure, exclusive of special expenditures, will probably be but little less than $10,000,000, while the proposed consolidated fund expenditures show an increase of over 3½ millions, exclusive of what may be shewn in the supplementary expenditures. In this respect the Minister of Finance does not show the caution his predecessor did, and at a time when the financial and material future does not by any means look as hopeful as it did in 1909, because the causes producing the conditions now prevailing are, in my opinion, of a much more serious nature. He is not paying much attention to the advice generally urged upon us by all competent financial advisers in the way of reductions in expenditure. The Minister of Finance is making a strong bid for a deficit this year, and of no small dimensions, and I think he will have little difficulty in achieving that end.

Yesterday the Minister of Finance stated several times that the net debt at the end of last fiscal year was $6,000,000 less than when the present ministry came upon the treasury benches. It was stated so often that I thought the minister expected that some credit should be extended to the Government on that account by hon. gentlemen on this side of the House and by the

country generally. I think the fairer way to put that is this, that in spite of themselves the net debt is $6,000,000 less than when they came into power. They have done everything they could to increase public expenditure and thus increase the gross debt and the net debt. Another view may be taken of this reduction of $6,000,000. The Minister of Finance stated yesterday that if he had the statutory authority, he would write the Grand Trunk Pacific investment bonds for which he paid par, down to 75, because that is their market value although in the assets of this country they are figured at their face value and notwithstanding the fact that when we had to borrow money to make these investments we pay over four per cent for the money while we receive but three per cent upon the investment. Therefore, if we may reduce by twenty-five per cent the $24,000,000 invested in Grand Trunk Pacific investment bonds, the amount mentioned yesterday by the minister, that reduction would amount to $6,000,000 exactly and would completely wipe out the $6,000,000 by which he claims the net debt has been reduced. Consequently, on the statement of the Minister of Finance given to us yesterday, I think I am safe to conclude, and with the feeling that hon. gentlemen opposite will agree with me, that the contention that the net debt of this country is $6,000,000 less than when they came into power, is as a matter of fact not correct.

Let me discuss briefly some matters in relation to the trade of the country. The total trade of Canada for the fiscal year just closed, notwithstanding the trade conditions prevailing during the past year, show a slight increase. I am sure we are all gratified to know that there was not a net loss on the total trade, as might legitimately have been expected. However, the figures of the total trade of Canada during the year hardly disclose a fair indication of actual trade conditions; at least, it is worth our while to analyse these figures and study them a little more closely than did the Minister of Finance yesterday. It is true, as I have already said, that our total trade increased during the year. I think that increase is about $60,000,000; I may be a little in error as to the amount, but that figure, I believe, is nearly correct. Our imports show a decrease, a very substantial decrease of about $30,000,000, and I think that for many months yet to come our imports will continue to fall. For the eleven months ending February last, our imports, dutiable and free, fell by over $35,000,000, and our imports for consumption declined $37,168,000. For the month of February alone, our total imports fell from $35,111,000 to $25,579,000, while our free imports fell from $17,000,000 to $13,000,000. Now, in view of trade conditions during the year, what has been the cause of the fact that our total trade, imports and exports, shows an increase, small though it be? It is due to our abnormal exports. For the eleven months ending the 28th of February, our exports of domestic merchandise were $404,887,000, as against $320,879,000 during the whole fiscal year of 1913, an increase of about $84,000,000 for the eleven months of last fiscal year as ompared with the whole preceding fiscal year. Of the increase in domestic exports, $68,000,000 is attributable to increased exports of animals and agricultural products. I say that the removal of duty by the United States upon live animals was the cause of the great increase in our exports of live stock, and it was fortunate for us that the United States market was available to us. Let me give a few figures indicating the great exports in live cattle which occurred by reason of the removal of duties by the United States:

October .. .. ..1912—	5,142	1913	58,671
November .. .. "	6,622	"	76,671
December. .. .. "	4,126	"	22,233
January .. .. ..1913—	4,211	1914—	5,500
	20,101		162,491

That is, during these four months of the fiscal year 1912-13, the total export was 21,101 head, while during the same four months of the fiscal year 1913-14, the total was 162,491 head.

I cannot give the values of the trade in live stock for these four months, as I have not the figures. However, for the eight months ending November, 1913, the value of these exports was $7,140,000; while for the same period in the previous year, the value was $2,246,000. And these exports were made to a market to which hon. gentlemen opposite said we could not export in the event of the removal of duties by the United States upon our live stock. So, I say, this increase in our exports is due to the action of the United States in removing their tariff upon imports of live stock and not in any respect due to ordinary market conditions.

Now, take our wheat exports. For the eight months ending November, 1913, we exported wheat to the value of $87,444,495, as against $57,236,000 for the corresponding eight months of the previous year. The

wheat exports from September to November last were extremely heavy. There was a tremendous pressure on account of financial conditions to sell Canadian wheat. Our wheat was available for export earlier than was usual, and our railways were able to comfortably take care of that export, but financial conditions actually compelled heavy sales of our export wheat in those months of last year, with the result that Canadian wheat declined relatively more than any other wheat of the world which went upon the British market. And while this of course explains a great deal of the abnormal rise in values of our exports of last year, it does not necessarily follow that it was a profitable export trade.

I might say the same thing in connection with the export of oats. I have not the figures, but I understand that our western provinces exported to the United States—that export being made possible by the reduction of duty on oats to six cents a bushel in the United States tariff—24,000,000 bushels of oats which would not ordinarily have gone to the United States, this being a further explanation of the abnormal exports of last year. These figures indicate that the export figures of the present fiscal year will not, upon reflection, appear so favourable by reason of the fact that a great deal of our exports which usually would be credited to the present fiscal year are credited to last year, thus accounting for the abnormal increase in our figures.

This is the appropriate occasion for a discussion of the expenditures of the Government. I ask the attention of the House while I discuss this matter generally and with some degree of detail. A very prominent economist has said: 'The question of expenditure is just as much a financial problem as that of revenue,
4 p.m. neither in theory nor in practice is it advisable to separate them so completely.' Mr. Gladstone once very justly remarked: 'Good finance consists more in the spending than in the collection of revenue.' I submit that these two views should be accepted as axiomatic in the matter of public expenditure. Particularly is this true of a large country, rich in undeveloped natural resources, and where a system of popular government prevails. It is fast becoming evident to all reflecting citizens of our country that we are extravagant in the disposition of our national wealth and income for purposes that frequently are both unnecessary and unproductive, and devoid of sound business principles. I am not ascribing all the blame to hon. gentlemen opposite. Both political parties must assume responsibility in this respect. It is time, however, for a fundamental change in the character of public expenditure. All public expenditure should answer some substantial purposes or it should not be tolerated.

When out of power the Government party were emphatic and insistent that the late Government were grossly extravagant in expenditure. In the opinion of hon. gentlemen opposite the annual expenditure was so large as to constitute, in the judgment of the Prime Minister, prima facie evidence of corrupt expenditure. It was said that controllable expenditure was so excessive as to be criminally wasteful. To-day it is very much higher, yet we hear no apology or admission of extravagance, criminal or otherwise. They promised much in the way of establishing sounder principles for public expenditure, but so far, their record for reckless expenditure, and expenditure without principle, is without a parallel in our financial history. Their high sounding promises in respect to public expenditure is but as a tale that is told. Never for a moment since their entrance to office, have they disclosed or professed a desire for sound business expenditure.

'Dash away and spend the money' was the openly expressed injunction of an hon. gentleman opposite this session to the Government. There was no need on the part of the member from Prince Edward Island to inculcate this principle for the guidance of the present Government. They have given ample evidence of their gifts in this direction, although it required the frankness of a private member supporting the Ministry to acknowledge publicly what we all believed to be true, namely, that the Government are more interested and concerned in devising means for the expenditure of the revenue than for providing the requisite revenue for necessary and legitimate expenditure. I remarked last year that it ordinarily was the function of Government first to fix its budget of expenditures, and then provide the revenue by taxation, but it is obviously the practice of the Government to obtain all the revenue possible, and then provide means of expending it. As I said last year, the Committee of Supply has become merely the committee of ways and means to spend the revenue. Yes, 'dash away and spend the money' is the open and avowed programme of the Government. I trust this policy will not receive the support of the people of Canada who are providing the money.

But the Government reply: The Opposition party do not object to the items of Supply voted from time to time. This is a weak and fatuous defence. No opposition has the opportunity of discussing in detail the items of the Expropriation Bill. Protest availeth nothing when it is possible even. The Government must take the full responsibility of its own supply and expenditure. They alone are responsible, and I charge that they are needlessly prodigal in this respect, and are not in any degree, it would appear, guided by principle or policy. Witness the utter lack of principle in the increase of subsidies to one province in the first session of Parliament. What more reprehensible than the arbitration reference provided for aiding British Columbia in its mad policy of expenditure, as if there was anything to arbitrate? Conceding that the province was justly entitled to an increase of provincial subsidies, I say nevertheless that the submission of such a matter to arbitration, when there was no issue to arbitrate, was a piece of administrative folly that should wreck immediately the strongest Administration that ever held office. That one act alone should be regarded by reflecting people as a sufficient ground for a vote of want of confidence in the Government at the first opportunity.

Take the expenses incurred to-day in connection with Fenian Raid bounties. Speaking for myself, I say that the administration of that Act is nothing more or less to-day than a public scandal, and I say that although the people of my province will probably benefit more by the bounties than the people of any other province. Not the slightest business-like attention is given to the administration of the Fenian Raid Bounties Act. In fact, in a by-election in the province of Nova Scotia recently promises were made by prominent supporters of this Government that improper applications for the bounty would be condoned through the influence of prominent Conservatives in that county with the Government administration. It is quite proper to give the Fenian Raid bounty to those who are entitled to it. But I want to tell the Minister of Finance that it would be worth his while to see that the Fenian Raid bounties are paid promptly and in business-like way and it would certainly be worth his while to inquire how much of the public money of this country is being improperly expended in that connection. To illustrate the peculiar methods adopted by hon. gentlemen opposite in making expenditures, let me refer to another matter. We are promised legislation this year to provide moneys wherewith to reimburse the depositors of the Farmers' Bank. If that legislation is introduced, if the money is voted and subsequently paid to the losing depositors of that defunct banking institution, it will not be because of any sympathy on the part of the Government with those who lost their money in the failure of that bank, it will not be because of any principle, but it will be because this Government want to pay the election expenses of their own friends in the last Dominion election. That is a pretty strong statement and perhaps requiring some little explanation, but I have no doubt hon. gentlemen opposite can understand my meaning very well indeed. Many hon. gentlemen now occupying seats on the other side of the House, in the election of 1911, promised that if their party was returned to power, the depositors, at least, of the Farmers' Bank would be refunded their losses by the Government of this country. That was a corrupt bargain to make as between a candidate and the electorate to which he was appealing. If he were using his own money it would be a corrupt bargain; but there would not perhaps be so much objection to it, as to those hon. gentlemen who have secured seats in Parliament coming to the Government and saying: I cannot liquidate the promises I made to the depositors of the Farmers' Bank, myself, as I have not the money, will the Minister of Finance be good enough to do it for me. I repeat that if that expenditure is made it will be absolutely devoid of principle as are many of the other expenditures made by the present Administration.

Now let us investigate briefly the actual expenditures of the present Government. In the year ending March 31, 1912,—and the Government was not responsible for the Appropriation Act of that year,—the expenditure chargeable against revenue, amounted to $98,161,440.77, in 1913 it had grown to $112,059,537.41; for 1914 the estimate is $129,000,000, and for 1914-15 it doubtless will reach $150,000,000. The Expropriation Act for this year will provide for expenditures on consolidated fund account in excess of $146,000,000, and the Supplementaries will contain a substantial amount also. The following figures may be of interest:

Expenditure.

Year ending March 31.	Consolidated Fund.	Capital Account.
1911..	$ 87,774,198 32	$30,813,766 75
1912..	98,161,440 77	30,939,575 35
1913..	112,059,537 41	27,205,661 13
1914 (estimated)	126,500,000 00	57,000,000 00
1915 (main ests.)	146,786,126 42	43,949,176 42

What has become of the oft-repeated assurances of hon. gentlemen to reduce expenditures ? What has become of their public pledges for retrenchment ? The expenditures proposed against revenue for the year ending March 31, 1915, will be 25% greater than in the year ending March 31, 1912. Is this sound public policy in a year of falling trade and revenue ? Let us look at consolidated fund expenditures in connection with public works for the past few years and the proposed expenditures for the present fiscal year—each year ending March 31:

1911..	$10,818,834 15
1912..	11,651,947 27
1913..	13,158,077 91
1914 (estimated)..	18,000,000 00
1915 (to be voted, exclusive of supplementary estimates)..	28,330,048 89

Let us see what this means. It means that for ordinary public works in the year just closed we spent about one-eighth of our total revenue from customs and excise. The Estimates for expenditures for the year 1914-15 for public buildings alone is over $16,000,000, and will be more than one-eighth of our revenue to be derived from taxation. The total estimated consolidated fund expenditure for this year for public works is $28,330,048.89 exclusive of railway expenditure, and over $43,000,000 is to be voted for public works on capital account, and together this I believe will be a little less than one-quarter of our total revenue for 1914-15 for customs and excise.

Again, take militia expenditures for the past two years and as estimated for the present year they are as follows:

1911	$ 6,868,651 29
1912	7,580,600 29
1913	9,114,533 09
1914 (estimated)..	10,200,000 00
1915 (main estimates)..	10,867,000 00

This is a notable increase, and still the Minister of Militia is not satisfied. He says he is entitled to one-tenth of our revenue for militia expenditures. He is doing well. The Government does not seem to throw any obstacles in the way of our ambitious war lord obtaining for his departmental expenditures one-tenth of our total revenue for our civil welfare which is the exact proportion of our income we are enjoined to surrender for the peace of our affairs external. Is it not time to apply the brakes to the demands and expenditures of the Minister of Militia? Are his colleagues afraid to protest? It looks like it.

While discussing the expenditure on militia, I might avail myself of the opportunity to protest against the efforts which are being made by the present Minister of Militia to introduce, into this country the military spirit of Europe. The Minister of Militia went to Europe last year with a large and distinguished entourage, to study military operations, and to get in touch with the spirit of militarism prevailing there, in the hope that he could infuse that spirit into the people of Canada. The hon. gentleman is desirous, not only of inflaming the youth and the women of our land with this spirit of militarism, but he is endeavouring to enlist, as well, the sympathy of the older men. Max O'Rell in his book, 'Brother Jonathan,' wrote as the first sentence, 'The population of the United States is 65,000,000—mostly colonels'; and if things progress in the future with us as they have recently, it may well be said: The population of Canada is 8,000,000—mostly colonels. I believe it to be in the best interests of Canada, that once in a while we should take opportunity to protest against the strenuous efforts of the Minister of Militia to develop unduly militarism and military expenditures in this country.

In a year when we have a falling trade and revenue one would expect to see substantial reduction in proposed expenditure for 1914-15. The main Estimates ask for a total supply for Consolidated Fund and capital expenditure the sum of $190,735,176.42, which is but a total decrease of $11,927,000, but the reduction all relates to capital expenditures. There is an increase of $3,573,311.50 for Consolidated Funds expenditure over last year, notwithstanding the unfavourable symptoms of a falling revenue for some months. This I anticipate will leave the minister with a considerable deficit next year, which will tend to injure our credit and prestige greatly in the money markets, to which Canadians must resort during the year. Therefore, I say the proposed expenditures of the coming fiscal year are not prudent or based on sound public policy. They are opened to grave censure, and tend to seriously affect our credit, particularly in a year in which Canada needs so much credit abroad, more,

probably, than ever in her history. Is the minister steering in the proper direction in all the circumstances? I say no. I say there should have been a very substantial reduction in his Consolidated Fund expenditure. Many millions of dollars might have been eliminated from his Estimates, and economics practised. 'A government's strength was to be measured by its power of resistance to the demands for expenditure by camp followers and partisans,' said the Prime Minister some years ago. Judged by this standard, this Government is without strength and is plainly at the mercy of camp followers and partisans.

During the last election campaign, if there was anything which the Conservative party promised more than another, it was, that if returned to power they would obtain for Canadian exporters fresh and wider markets. They were then combating the idea that we required the markets of the United States for our surplus products. The Minister of Trade and Commerce said, in my own city, at a public meeting, that the true aim of Nova Scotia in trade development was not with the United States but with the West Indies, Mexico, South America, and even with the whole world, so long as it was not with the neighbouring republic. It was further said by hon. gentlemen opposite, that the trade agreement with the United States, if entered into, would destroy our bargaining powers with other countries, and that we never in the world would be able to negotiate any trade convention or arrangement with any other country, on account of this so-called reciprocity agreement with the United States.

What have these gentlemen done since they came to power, what have they to show in fulfilment of their promises and professions; where are the wider and the better markets they said they would give us? Last year, they made a trade agreement with the West Indies, and it was hailed with much acclaim as a great triumph for the Government. The results of the West Indian treaty have not been intensely gratifying so far, although perhaps it is a little too early to judge what may be the true effect of it. Personally I never expect to see very great benefit accruing from the West Indian treaty. I have no objection to the treaty, whatever, although I think it might have been very much improved.

In 1911, we were told that the British market was the market for Canada and Canadians to aim at. We were told that it was large; that it was not capricious; that it was constant; that the Unionist or Conservative party of Great Britain favoured preferential tariff rates upon Canadian produce, and that, if the Conservative party came into power in this country and the Unionist party in Great Britain, we would doubtless secure the advantage of preferential treatment in the British market for our exportable surplus. The people of this country were asked to denounce and vote against the trade arrangement with the United States, because it would forever destroy any hope of preferential treatment by the United Kingdom of Canadian surplus products.

The handbook issued by the Conservative party in 1911 puts in a very concrete form the views of hon. gentlemen opposite; it is simply a repetition in condensed form of the statements made by every one of hon. gentlemen opposite. Let me for their benefit read just a word or two from this pamphlet:

> The Conservative party in Great Britain now advocates protection and the giving of a preference to the empire. If it came into power and found the Fielding-Knox brand of reciprocity in force it would be unable to grant Canada a preference. In the case of wheat, there would be the insuperable difficulty of maintaining the identity of Canadian wheat. The British Government would object to granting a preference on American wheat simply because it was shipped through Canadian channels; but with American wheat crossing the Canadian border at will, and with Canadian wheat flowing down to Minneapolis and seeking the ocean through American routes the Canadian wheat could not be kept separate.

It is worth while pursuing this just a little further to see if there is any possibility of the consummation with the United Kingdom of such an arrangement as indicated by hon. gentlemen opposite in 1911. It is worth while doing so just to ascertain if hon. gentlemen were honest when they made these statements in 1911, or if they were simply fooling the people of Canada. I think they were doing the latter. What is the policy of the Unionist party to-day? We have a pronouncement from the leader of the Unionist party upon the fiscal policy of that party, or what would be their policy if they came into power in respect to preferential tariff treatment to the dominions of the empire. Let me give it to the House as announced by Mr. Bonar Law some time last year. This is a statement respecting their policy upon food:

If as a result of the next elections the Unionists are returned to power, we shall impose no new duties on the food of the people, but on the contrary we hope to take off some of the food duties which they have now to pay.

I do not think that the people of this country can longer entertain any hope of preferential treatment from the United Kingdom upon our exportable natural products, even if the Unionist party receive from the people of the United Kingdom their confidence, which they are not likely to do for many years to come. Hon. gentlemen in 1911 had no justification whatever for holding out to the people of this country the hope of preferential treatment upon foodstuffs exported from the overseas dominions of the empire to the United Kingdom; and it was but one of many efforts made by hon. gentlemen opposite to fool the people of this country and to withdraw their attention from a careful, honest, intelligent and frank consideration of the trade convention or agreement at that time before the electorate for consideration. We were promised a profitable trade arrangement with Australia. That was the hobby of my hon. friend the member for St. Antoine (Mr. Ames). He made a great hue and cry about the effect of bargaining with the United States. He urged that it would destroy all hope of any trade arrangement with the sister colony of Australia. He said that our bargaining powers were absolutely gone by reason of the Fielding-Knox arrangement, and that the future was absolutely dark respecting trade arrangements with that Commonwealth. He said:

There is no use now in bringing up the question of Canadian-Australian reciprocal trade arrangements. The whole hand of the Government is on the table, the game is played.

These words were uttered in a very doleful and dismal fashion. One would have imagined that both Canada and Australia were being wiped absolutely off the face of the earth. (Reading):

All those items which we want, all those items which we could fairly send to them, we cannot now send without the intermixture of American goods. We are henceforth handicapped both in giving them and in taking from them, because we have no longer a basis or means of negotiation.

He ends by saying:

Consequently the whole game is played.

I want to say to hon. gentlemen opposite that although the Canadian arrangement with the United States was defeated, the basis for negotiation between Canada and Australia still remained. A distinguished member of the present Government went to Australia some few months ago for the purpose of negotiating a trade arrangement with that colony. He was not burdened or impeded in his negotiations by the trade arrangement made with the United States in 1911. He had a free hand. The bargaining powers of Canada and himself were free, unimpaired by that former trade convention. What is the result of his visit to Australia? Where is the wider market which that hon. member said we might have for a great many of the things which we produce and export from this country?

The only comfort we have from hon. gentlemen opposite respecting wider markets is this and it came from the Minister of Trade and Commerce during last August, namely, that there were tremendous possibilities for Canadian trade in China and Japan. That hon. gentleman visited China and Japan, and I assume that it was one of his official functions, as a minister of the Government of this country, particularly charged with the responsibility of administering our affairs relating to Trade and Commerce, to endeavour to make some trade arrangement, and I ask: Did he make any effort to negotiate any arrangement with China and Japan whereby we might have some preferential treatment in the way of tariff for our products in those countries?

I have always had the idea that the Minister of Trade and Commerce had some talent for negotiation with the man in authority in the Celestial Kingdom, where the people are said to possess 'ways that are dark and tricks that are vain.' I have always thought that—intellectually at least, I do not mean physically—there was something of the Oriental in the Minister of Trade and Commerce; and I do not know that I could wish for any greater pleasure than to witness the Minister of Trade and Commerce sitting at a table negotiating a trade treaty with the representatives of the Chinese Empire or the representatives of Japan. And, until I learned to the contrary, I should be inclined to think that the Minister of Trade and Commerce would be able to hold his own very well in that company. However, for the moment, in the matter of other markets and places to which we might export our Canadian produce, we have, from hon. gentlemen opposite, only the statement that in China and Japan there are tremendous possibilities.

Now, I wish to deal with some matters re-

lating to tariff questions; and the greater portion of my remarks will not relate to the observations of the Minister of Finance on such matters. The many amendments of the tariff which he proposed yesterday involve so many considerations that, so far as I am concerned, I hardly feel competent to discuss them intelligently this afternoon, not having had an opportunity to give them any study. Therefore, I must reserve my remarks on this subject, should I decide to make any, until the House is in Committee of Ways and Means. However, I desire to say just a word or two on this point. The Minister of Finance was rather confounding to me yesterday. He reaffirmed the faith of the Conservative party in the policy of protection, and yet he admitted that there were undoubted evils in the protective system. In some cases the tariff was increased and in some cases it was decreased. A decrease of duties, apparently, met with greater favour from hon. gentlemen opposite than an increase. I really do not know what fiscal principle moves and animates hon. gentlemen opposite. I doubt, after all, that it is a principle; I think it is more a matter of party strength and solidarity that they have in mind than an assertion of any tariff or fiscal principle.

Now, with respect to the duty on agricultural implements, I wish to say a word or two, but I do not propose discussing the matter in detail. The Minister of Finance laid down the proposition that free food meant free trade, and that free implements also meant free trade. I fail to understand that proposition, and I doubt both its soundness and its aptness. I do not think history, experience or fact will support the position taken by the hon. minister. If free agricultural implements means free trade, I cannot understand why the hon. minister wishes to approximate free trade even to a small degree by reducing the tariff on some articles from 17½ per cent to to 12½ per cent. I assume that there is in his mind justification for that reduction. But if justification is possible for a partial reduction, surely it is possible to imagine that at some time, under some circumstances, there might be a combination of circumstances which would justify a further reduction or possible total elimination of the duty. And there is this strange fact, Sir, the loudest, the most lusty cheer which the Minister of Finance received yesterday from his supporters throughout all his lengthy statement, was when he announced the reduction in the duty on agricultural implements from 17½ per cent to 12½ per cent. I wonder what they would have done if he had announced a reduction from 17½ per sent to, say, 1 per cent? The Minister of Finance knows that his followers would have cheered him to the echo. I would like to ask hon. gentlemen opposite, or the Minister of Finance—though I hardly expect them to answer—why he made that reduction. He did not do it because the manufacturers of agricultural implements asked it. I am sure the hon. member for Brantford (Mr. Cockshutt) never asked it. I do not know yet whether that hon. gentleman was pleased or displeased yesterday; his face was a perfect study to me, and I have not had an opportunity to inquire from his friends on the other side how he really felt. I am sure the minister did not make the reduction as a concession to the farmers. I am of opinion, and wish to state it frankly, that the minister made that reduction because his supporters behind him suggested that it would be advisable politically to do so. And I think that is the explanation of their cheering the minister yesterday when he made the announcement of the reduction. There is another possible explanation. That reduction may have been made at the request of the Canadian miller. It may be but a draft made by the Canadian miller upon the Canadian agricultural implement manufacturer payable to the Canadian farmer. The Minister of Finance told us that free implements meant free trade. Why? Surely the hon. gentleman knows that practically every Conservative candidate in a western constituency last election favoured free agricultural implements. An hon. member speaking here a few weeks ago told us that he was at a meeting where upon the wall was a huge hanger with the words 'Vote for Lake and free agricultural implements.' I do not know, but I should be tremendously surprised if in some parts of the constituency of Souris, Manitoba, there was not also seen the sign 'Vote for Schaffner and free agricultural implements.'

Mr. SCHAFFNER: Never, never.

Mr. MACLEAN: I just wish that a detectaphone had been within range of the hon. gentleman in that election, and that it were here to-day, so that we could hear its record. I will accept the hon. gentleman's statement that he never used the exact words which I have suggested; but if he will give to me and to the House the exact words he used in discussing privately and publicly the tax upon agricultural

implements, I will merely ask that he allow me to interpret the meaning.

I know that my hon. friend the Solicitor General (Mr. Meighen) would not place himself in such a compromising position as to display the banner: 'Vote for Meighen and free agricultural implements.' He is a very skilful dialectician, and he knows how to make a statement that is open to many constructions. I know that my hon. friend never promised free agricultural implements in the last campaign, but he will not deny that many people in his constituency thought he did promise it.

Mr. MEIGHEN: I have never met one.

Mr. MACLEAN: I see my hon. friend from Annapolis (Mr. Davidson) in the Chamber. He was in favour of free agricultural implements, and yet he voted against it the other night. I have in my possession a card which he circulated amongst his very intelligent electors, and it was a strange one. His slogan was: 'One King, one flag, one fleet—and free agricultural implements.' This is rather an anti-climax to a trinity of election platitudes which did not mean much and which my hon. friend did not intend to mean much, but he gave the cry of free agricultural implements a royal and imperial importance by ranking his policy for free agricultural implements with: one King, one flag and one fleet.

The Minister of Finance advised us yesterday that he had had the advantage of special information respecting agricultural implements. He said:

> We have made inquiries. For considerably over a year past we have been making inquiries and investigations into the question of agricultural implements. We have made an investigation into the prices of agricultural implements on both sides of the line, in Canada and in the United States. We have made an inquiry as to the factory cost of production of the principal agricultural implements in Canada and in the United States. We have examined the balance sheets of manufacturers with the idea of ascertaining what their position is and whether or not they are making undue profit upon their business.

I think it is only fair that when the House goes into Committee of Ways and Means we should have the advantage of the researches of the Department of Finance into the agricultural implement industry and that we should have all the knowledge which the hon. minister has respecting the balance sheets of the respective manufacturers of implements on this continent. I trust it is the intention of the minister to give us this information. When we have that I am sure that we on this side of the House will be pleased to engage in a fair and businesslike discussion of the tariff upon agricultural implements—and there I must leave the subject.

I wish to discuss at some little length the question of removal of duty upon wheat in this country in order to secure from the United States admission into that country of our wheat and flour. I also wish to discuss the policy enunciated by my distinguished leader (Sir Wilfrid Laurier) in favour of the principle of the elimination of the duty upon staple foodstuffs in order to secure for the people of this country the vital necessaries of life, foodstuffs, at the lowest possible price, which is a pressing, serious human problem for us who are the representatives of the people to discuss and legislate upon in this Parliament. Dealing first with the question of wheat, the United States Government in effect say to the Government of this country: If you place wheat upon the free list you can have entry into our market for wheat and wheat products, inclusive of wheat flour. Members upon this side of the House say it should be done. We proposed a resolution to that effect only a few weeks ago. Hon. gentlemen opposite say it should not be done and that Canada should maintain the duty as it now stands. The issue is clear, clean-cut and well defined. It is an interesting issue to debate It is one of great interest and importance to this country. I believe that the position that we upon this side take upon this question is the correct one. I believe that the position which the hon. gentlemen opposite take, is wrong and cannot be supported, and I do not think that they have up to this moment given us, or that they will be able in the future to give us, reasons which will sustain and justify the position which they assume in respect to this question. There are many people in this country who will sustain the Liberal party in the position which they take respecting the wheat duty. I think that the people of the Prairie provinces almost unanimously will do so. The Legislature of the province of Manitoba passed a resolution on this subject and, as hon. gentlemen know, the dominant party in that Legislature is one in sympathy with hon. gentlemen opposite. In fact, it is this Legislature which gave this Government its present Minister of Public Works, and I have no doubt that that hon. gentleman is

5 p.m.

still strong and influential in the councils of the government party in the province of Manitoba. That resolution reads:

Whereas the Congress of the United States of America have by recent legislation reduced the duty on wheat and wheat products entering the said United States of America.

And whereas provision has been made in the said legislation for the total removal of such duty on wheat entering the United States of America from any foreign country who would likewise remove such duty.

And whereas it is the opinion of this House that the removal of such duty by the Government of the Dominion of Canada from the United States of America would be beneficial to the agriculturalists of Manitoba.

Therefore let it be resolved that in the opinion of this House the Parliament of Canada should enact such legislation as would give the farmers of Manitoba the benefit of the countervailing duty on wheat and wheat products as provided in the Underwood tariff.

This is an important question. I do not wish to say, even though I may think so, that there is nothing in the contention of hon. gentlemen opposite.

Let us take the wheat industry in our northwest and ascertain, if we can, the present condition of that industry, and what its future prospects, so far as we may safely venture. And I refer to the prairie provinces, because it is the seat of the major portion of our wheat production. Let me first call attention to the relative importance of this industry in Canada.

The total value of our exports of agricultural produce to all countries in 1913 was $150,000,000 of which wheat and wheat flour comprised over $107,000,000. Wheat and its flour comprised in 1913 in value nearly 75 per cent of our exports of agricultural produce to the United Kingdom, and over 30 per cent of our total exports of Canadian productions of all kinds. Those figures alone will sufficiently impress one with the importance of the wheat industry alone; while there is much to say about other natural productions in that part of Canada.

Now, what are some of the outstanding facts regarding the actual condition of the industry at the present moment, and what I am about to say is applicable to the grain industry as a whole, and agricultural conditions generally in the prairie provinces. The acreage under cultivation has not shewn any increase during the past three years. For the year ending March 31, 1913, there were 10,000 less homestead entries than in 1911. In 1911 the land sales were 19,000,000 acres, while in 1913 it had fallen to 9,000,000 acres. In 1914 the figures to these matters will, I fear, be less favourable. Further, let me say the number of immigrants settling on western lands, has been declining, and we are now face to face with the problem how to procure for the future a substantial quantity of land immigration. It is from Eastern Canada and the United States that furnishes land settlers for the West, the major portion of immigration from Europe including the United Kingdom have for some time past been settling in our towns and cities. Our free lands are pretty well disposed of, and European immigrants, as a rule, are not possessed of sufficient capital to purchase. To-day we find ourselves with an immigration policy that has passed its usefulness and it is unsuitable to our needs because it lacks selection methods. Consequently, I say that without the adoption of some new land immigration policy we cannot look for any substantial increase in land settlement in the West.

Further, we have the following facts particularly relevant to the wheat industry. It is barely remunerative, if at all, to the producer, the average cost being at least 55 cents per bushel, and the cost of production is apparently increasing, it is said 12½ per cent since 1909, while marketing and exporting charges have as well increased. These facts are important because a large section of the prairie provinces it is conceded must remain grain producing areas, and not easily convertible into mixed farming lands. Important also because the production costs are important to Canada, whose exportable surplus is large and must consequently meet export prices.

It is to be remembered also that we have tremendous areas not yet devoted to grain growing, which must, if utilized, and if we are to make the desired progress, double and quadruple our production, and that is only possible if the costs of producing are reasonable and the markets available. The production costs and the markets for our western wheat is therefore of vital importance, and always worthy of the most careful consideration. It is true that we usually proceed upon the assumption that our wheat production is to continue to increase greatly, and many at least, presume that markets are awaiting not only our present productions, but any anticipated increases as well. Now, are we reasonably sure of such markets and under what conditions are any of the world's markets open to us? Let me present to the House some considerations respecting markets.

Our important wheat market to-day is the United Kingdom. In 1913 the value of our total wheat exports was $88,608,000,

of which the United Kingdom took $74,978,000 or over 88 per cent. In the event of an increased production is it sufficiently capacious to consume any considerable proportion of the same?

The United Kingdom imports about 200,000,000 bushels of wheat, of which to-day Canada supplies about one-fifth, British India one-fifth, Australia one-tenth, the United States one-fifth, and the Argentine one-seventh. While the volume of our exports have grown in the last 15 years, so has that of foreign countries. Two facts should be here noted, namely, that the domestic consumption of the United Kingdom is an almost constant quantity, and that she will continue to buy from all exporting countries of the world which offer the most favourable prices, and particularly those with whom she has an export trade and of which she is creditor nation. It is therefore clear that our only hope of increasing our exports of wheat and wheat flour substantially to the United Kingdom, is by displacing foreign wheat by advantages in quality and price. It is a fact that at present prices the growing of wheat is not very remunerative when in competition with other export wheat, consequently, the price at which we can produce and sell is of manifest importance to Canada.

Now, let us consider the United Kingdom as a market for wheat exported in the form of flour. In 1913 our total exports of flour was 4,478,061 barrels of which 2,880,167 barrels were taken by the United Kingdom, or nearly sixty-five per cent, and the total consumption of flour of the United Kingdom is about 35,000,000 barrels. Will our exports of flour to the United Kingdom increase substantially? I do not think so, because her millers are to-day our strongest competitors. The British miller buys the export wheat of the world and consequently it is cheap. Britain will continue to buy foreign wheat to employ her ships and in payment of interest upon her foreign investments. Again the British miller mixes his wheat, and the British consumer likes the resultant of the mixed product, and consequently the British miller has an advantage over the Canadian miller in buying the variety of raw material.

It is true that Canadian wheat is well regarded for flour purposes because of its strength in gluten, but the United States, Russia and Argentina grow a wheat also strong in gluten, which the British miller buys, consequently in quality of flour required for the United Kingdom we meet strong competition from the British miller. Again the most modern mills of the world are now found on the docks in Great Britain, and they probably produce flour as cheaply, if not more cheaply, than any country of the world. Newspapers recently reported that a Scotch mill recently exported flour to the United States.

Mr. SCHAFFNER: Has the hon. gentleman the figures showing the amount of wheat the United States exports to Great Britain?

Mr. MACLEAN: No, I have not these figures. Let me continue. I saw in a Canadian paper last week, the statement that soon Canada will supply the United Kingdom with flour. The conditions rather indicate the fact that we will be sorely pressed to hold what we have, unless we can undersell the British miller. The United States miller doubtless thought the same at one time. In 1906 the United States sold to the United Kingdom 10,152,770 cwt. of flour, in 1913 it was 6,157,644 cwts., and it is said that so keenly do American millers find British competition that they are largely withdrawing their selling organizations. And why? There are, I suppose, many contributing causes, but chiefly the high cost of producing wheat there, and I believe it is even greater than in Canada, unremunerative prices obtained, whether in the form of wheat or wheat flour, in competition with other wheat growing countries and the British miller. To-day we have a milling capacity of over 30,000,000 barrels per year, with an actual production of 15,000,000 barrels, and a domestic consumption of say 10,000,000 barrels, and I ask you, while we talk glibly of increasing our wheat and flour production, where are we going to obtain the market, the consumers?

We have the opportunity, if we want to accept it, of free entry into the markets of the United States, of wheat and flour. Is it worth accepting? The man who produces the wheat is apparently anxious to accept the offer. The Canadian miller objects and the Government objects also or at least it sustains the objection of the Canadian millers. Is his objection just or sound? Our millers are labouring under the mistake that Great Britain will largely absorb our flour exports no matter to what dimensions it grows. Facts rather prove this is an hallucination of the Canadian miller. If it is expected that our exportable surplus of flour is to grow, and it should, our millers should be more alarmed over the competition of the British miller than that of the United States miller, I understand that our miller has requested an ocean steamship service

specially subsidized for flour exports. This would be a discrimination that is unnecessary, and would, I think, prove futile, as it has whenever tried. I think if our millers devoted the same energy in utilizing the advantages they possess and in fighting for markets close by, that would consume even the milling capacity we now have, thus reducing the cost of production per unit, it would be found more profitable to themselves and advantageous to their country than persistent solicitations for Government favours which I venture to believe would not be helpful. Surely it is clear that we do need other markets for wheat and flour, and it is equally as reasonable a proposition that to ensure this we must do everything to make it possible to produce more cheaply

We can have an additional market. The United States market is open to us. The decision rests with the Government of Canada. The sooner we accept this market the sooner will we there establish ourselves and displace American grown wheat and flour. There would be another set of mills grinding our wheat. It would enable our millers to grind more steadily and thus more cheaply because our milling capacity would be in use. The problem of the Canadian miller is the lack of stomachs to consume flour and cattle to consume offal. The British market is not the panacea nor are ocean freight rates the cause. We want a readjustment of tariff taxation to enable cheaper production. This can be done without any injury to Canadian interests, and it should be done. This matter should have had the sympathetic consideration of the Government at this session. Wheat should have been placed upon the free list to afford an additional market and other tariff adjustments should have been enacted to encourage all productions in order to render more effective our position with competitors, and particularly for the producers of the prairie provinces where conditions are not too healthy.

Yesterday the Minister of Finance urged as a reason why it was not advisable to put wheat upon the free list, that it would withdraw traffic from our transcontinental railway lines, which were specially constructed with the view, and in the hope, that our exports would travel east and west thus affording these railways profitable long haul traffic. I wonder if the Minister of Finance was in earnest in propounding that idea? During the campaign of 1911, I often wondered if any man in the Conservative party was really sincere when he said that free wheat between Canada and the United States would be inadvisable, because it would destroy the east and west-bound railway traffic, and consequently injure our railways. That, in my opinion, is the most absurd proposition ever propounded. If it be true that the Canadian railways are at the mercy of the United States Government, then the United States Government can withdraw the tariff upon wheat any day and destroy our railway systems. Hon. gentlemen opposite say: why do you want the American market; Canadian wheat will not go there? If that be true, then Canadian wheat will continue to go over the Canadian railways, and the Canadian railways will not be hurt. Hon. gentlemen opposite further say: the price of wheat to Canadian producers will not be increased by its free admission to the American market. I do not think it is important either to deny or to affirm that contention, but if American wheat is not higher in price than Canadian wheat, then Canadian wheat will not go to the United States in great quantities and again railway interests will not be hurt. But I go father, and I take the position that there is no reason for imagining that we cannot export to other foreign countries the amount of wheat we are now exporting, and ship it over Canadian railways, while at the same time sell wheat to the United States. Surely the export of our wheat to the United States is not going to destroy our export wheat trade with the other countries of the world. Carry it to the most absurd conclusion the human mind can imagine, and suppose that all our wheat went to the United States and none went abroad over the Canadian railway systems, would that hurt the Canadian railways?

I doubt it very much, and I challenge the hon. member for St. Antoine to make good his position, if I understand him to controvert the position which I am now taking. The purchasing power of the people of the Canadian West would be all the greater if they were selling their wheat in the United States alone and not anywhere else in the world, and they would only do it if they were doing it to a greater advantage than by selling their wheat elsewhere. Consequently, the purchasing power of the producer would be increased, and the imports of the West would be much greater. It would mean a higher grade of railway traffic, and the net

result would be that the Canadian railways would be better off than in hauling low grade traffic such as wheat. But I am taking an impossible and absurd position, one that cannot happen for many years. Whether we have free trade with the United States on wheat and wheat flour or not, will not in the slightest degree affect our present export trade with other countries. In fact, there is no reason why we might not have a trade with the United States in wheat to a greater or less extent, while our export trade with other countries would go on increasing, thus giving more business to the Canadian railways than they have now; and even when the Hudson Bay railway, that doubtful project, is completed, there is no reason why any shipments of wheat which can be shipped through Hudson bay should affect the railways of this country, because in a few years we should have such an export of grain from this country that it would tax every system of transportation we have to handle it.

But I want to urge upon hon. gentlemen opposite that peculiar conditions prevail in the West, and I feel that the Government are not properly seized of the actual facts. I believe that at this moment it will be in the interest of Canada, east and west, of the Canadian producer of wheat, of the Canadian miller, and of the Canadian consumer, to place wheat upon the free list, and consequently we upon this side of the House regret that the Government has seen fit not to place wheat upon the free list.

I would go further, because in the Budget debate it is not necessary that we should confine our discussion merely to matters of finance and of tariffs. We should discuss generally the condition of our country. I would not limit the efforts of Government policy and Government action in dealing with problems of the West to the question of tariff alone. I believe we have reached the time when we should extend more direct and practical aid to agriculture, with special adaptation to the peculiar problems confronting the pioneer farmers of the three prairie provinces. They should be helped in other and more direct and practical ways which would produce immediate, permanent and profitable results. I am sure that hon. gentlemen on this side of the House are in favour of any policy which will extend some aid of a practical nature to the people of the West, who are endeavouring under difficult circumstances to produce from the soil wealth which this country needs. From the West for many years in the future must come the exports of natural products which alone will pay for the imports of this country.

Hon. gentlemen opposite speak a great deal about the new agricultural policy, which means an expenditure of a million dollars a year. I congratulate the Government upon doing that much, but after all it is not very much. I do not know that it justifies a great volume of boasting, or that it indicates a great deal of careful study or reflection upon the actual agricultural conditions of this country. We have reached a stage in this country when we should do more for agricultural interests, and we would do so if we realized more clearly and accurately the tremendous part agriculture plays in the business and prosperity of this country. Hon. gentlemen opposite speak about the so-called National Policy being beneficial to agriculture. The policy of the present Government in respect to agriculture generally, but in reference particularly to the question which I have just been debating, namely, the wheat tariff, is not designed in the interest of the agricultural producer.

At six o'clock, the House took recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

SECOND READINGS.

Bill No. 148, for the relief of George Gracie Smith.—Mr. McKay.

Bill No. 149, for the relief of Harry Cracroft Pugh.—Mr. Douglas.

THE BUDGET.

Mr. A. K. MACLEAN (resuming): At six o'clock I was urging that, in view of the prevailing conditions in the Northwest provinces, in addition to encouragement in the way of possible tariff revision, we should not hesitate to afford them aid that would apply directly and practically to the needs of that country and to the peculiar difficulties confronting the farmers of that section. I have been informed since six o'clock, that a decision has been made by the Board of Railway Commissioners in the way of reduction of railway freight rates which will mean a great deal to those provinces, particularly to Saskatchewan and Alberta. I am sure this will be received with much gratification by all citizens of Canada, and particularly by those most directly affected. The Railway Board is a

creation of the late Administration, and the measure which created them was one of the acts of that Government to which hon. members on this side of the House always point with a great deal of pride and satisfaction. The Railway Board is a body which has rendered very important service to Canada, and if in the determination of the issue of railway freights which has been before them, they have succeeded in effecting such reduction as will prove an important factor in the interest of the people of the western provinces, then the Act establishing that commission has been still further justified.

There is just one more matter I propose discussing before concluding my remarks, and that is the question of tariff policy respecting food products. We had very little from the Minister of Finance on that subject yesterday; in fact, nothing. I was somewhat surprised by this omission, because the question of the cost of living is of extraordinary importance and is receiving very serious consideration on the part of all classes of people. I think, further, that it is a condition of affairs that calls for practical, serious consideration on the part of the Government. I do not propose to engage in a detailed discussion of the high cost of living, or of what remedy should be applied by way of tariff amendments. I rather purpose asserting some general principles in respect of this question. The high cost of living, the phenomenal increase in the prices of the actual necessities of life, requires no proof or evidence from me. The prices of articles which are the actual necessities of life, particularly of foodstuffs, have been constantly rising for years, until to-day the wage-earners and the small salaried classes are facing the lowering of the living standard, or they are obliged to forego many of the actual necessities of life and cease to enjoy many of the advantages which hitherto they have enjoyed. In this respect, phenomenal conditions prevail throughout the world, conditions intensely interesting, and deemed of sufficient importance by all countries to receive the most thorough and careful consideration by their best-trained economists. Now, I am not going to assert that the Government is entirely responsible for the prevailing high cost of living so called. For this phenomenon many causes are assigned, but I do not propose to enumerate or discuss them. Some probably are beyond our control, while the effects of some may be at least minimized if not removed. I do not propose either to give any comparative statement of prices. This is too well known. Neither do I propose discussing any lengthy list of articles, the prices of which are considered high. However, I wish to discuss very briefly the matter of the prices of foodstuffs, and to suggest what we should do in the circumstances.

To-day most foodstuffs are taxed or subject to duty, and this undoubtedly contributes to the cost. The tariff duties must affect the prices of foodstuffs, else no one would object to their removal, and they would never have been established. Is this not right? Does there exist any real justification for the continuance of the imposition of duties upon staple foodstuffs, in view of the existing prices, and in view of the fact that it apparently carries no real advantage to the producer? Let us consider a few articles. Take the matter of meats, so essential a foodstuff. What is the world-wide condition? The world is hardly producing sufficient for its needs. That is true of Canada to-day. Our production of live-stock is declining, and, this being an important consideration, I desire to give the House some figures bearing upon this point, as helping to an intelligent consideration of the question. Canadian head of live-stock:

	1908	1912.
Swine,	3,369,858	2,655,400
Sheep	2,831,404	2,360,600
Milk cows,	2,911,746	2,890,100
Other cattle,	4,629,836	4,093,600

Total cattle receipts at Winnipeg stockyard: 1906—130,426 1912—101,044

The export of cattle from the port of Montreal in 1909—I am not sure whether it was 1909 or 1906—was 94,294; while in 1912 it was but 6,184 head. The export of sheep was 1,616 in 1909, and only 178 in 1912. It is quite obvious, therefore, that our production of live stock available for meat supply is decreasing, and that affects very seriously the whole question of meat prices. An idea of our decline in live stock exports can be adequately gathered from the fact that in 1902 the value was $10,480,000, while in 1913 it was $2,183,000.

It might be of interest to give the House some statistics respecting the live stock productions and export in the United States, which is of importance in considering this subject from the Canadian view point. Let me first give some figures regarding exports from the United States:

Exports of cattle:

1909 . . . . . 397,286 head
1913 (June) . . . . 105,506 head

Exports of beef:

1909 . . . . . 674,284,723 lb.
1913 . . . . . 123,000,000 lb.

Exports of pork and its products:

1909 . . . . . 1,538,024,466 lb.
1913 . . . . . 965,000,000 lb.

In the United States the number of live stock of all kinds have fallen as in Canada, only in greater proportions, and, I think, everything points to that country becoming a very large importer. Now, under such conditions, is a tariff in this country upon live animals and meats either just or necessary? The removal of United States tariff upon meats will lessen materially our limited supply for domestic consumption. Why should not the tariff upon foodstuff of this character be removed? I cannot detain the House further upon this point.

Let me now give the House some statistics showing our imports and exports of important articles of foodstuffs for the year 1913, with the duty paid thereon:

	Imports.	Duty paid.	Exports.
Pork	$1,043,916	$210,990.00	$ 57,960
Poultry	407,815	80,201.00	72,477
Meat, canned.	388,566	97,627.19	26,718
Eggs	2,828,607	97,123.48	35,519
Butter	2,123,688	252,311.76	223,578
Potatoes . . .	538,106	114,353.67	749,363
Mutton	554,758	169,339.45	6,742
Bacon	1,938,726	270,893.06	5,350,845

Mr. EDWARDS: If the duty were removed, does the hon. gentleman think that more butter and eggs and bacon would be imported than formerly?

Mr. MACLEAN: Probably. In this country to-day, particularly at certain seasons of the year, many of our people are compelled to abstain from purchasing some of these articles by reason of the cost. If we have to import these articles why not let those who require them have free of duty taxation if possible. I am simply asserting that policy as a general principle. There may be exceptions to it which I shall discuss later.

Mr. MORPHY: Does the hon. gentleman argue that the list of foodstuffs last mentioned should be admitted to this country free of duty?

Mr. MACLEAN: I am going to argue that in a moment.

Mr. MORPHY: Will the hon. gentleman not answer me now?

Mr. MACLEAN: Yes. My position is this: Staple food products, as a general rule, should be admitted into this country free of duty unless for very good and substantial reasons. In formulating and readjusting a tariff upon foodstuffs the guiding principle should be to make foodstuffs free of duty. The necessities of revenue would of course be a natural exception to that view.

To-day we are in receipt of ample revenue, but one can easily conceive that almost at any time the Government might require further revenue. I do not mean to assert that I would carry this principle so far as to say that such imports should not be taxable for purposes of revenue.

I go a little farther and perhaps this is what my hon. friend wishes me to discuss. I think the maintenance of a tariff in this country upon foodstuffs was more defensible for the purposes of retaliation against our neighbour than upon other grounds. I do not accept it as a fact that tariff imposts upon agricultural produce imports into this country have been beneficial to the producers. I assert that, as a general principle. I would think it only fair that any government, in taking into consideration the readjustment of the tariff upon foodstuffs, while guided mainly by the principle of giving the consumers untaxed foodstuffs, should take into consideration the question of how such articles, when imported into a foreign country from Canada, are treated in the way of tariff duties. I am willing to concede that that is a fair matter for consideration, but as a general principle I say that staple food products might well be admitted into this country free of duty.

To-day we are trying to drive Canadian trade across a continent 3,000 miles with a dead section intervening between the West and the East. It is an ambitious scheme on the part of Canadians. It is perhaps in many respects deserving of commendation. We have all done our part to develop trade between the eastern and western parts of Canada, as well as interprovincial trade, but in a country extending from ocean to ocean it is not sound, economically, and I deny its justice, to be endeavouring to force traffic and trade in foodstuffs particularly across a continent some 2,500 or 3,000 miles in extent. It is unnatural, and economically wasteful. If the Canadian Northwest develops its agricultural productions in the next few years, as it should, it will become the strong competitor of the farmer of Ontario, Quebec, and the Maritime provinces. It will not be the competitor of the farmer in the United States.

We will have the same condition of affairs that prevailed in the United States some years ago. When the western states were heavy exporters they were able to dispose heavily of their products in the eastern states with the result that the eastern farmer felt the competition. That will be the result in this country if the West develops in the production of agricultural commodities as I believe and hope it will. It will be to the advantage of the eastern farmer, therefore, if the farmer of the West has an outlet in the western or middle western states so that there he may find a consuming market for his surplus products. It apparently will happen in this country that while we are exporters of certain products, such as bacon, for instance, where our exports are much larger than the quantity imported, we can still have an import trade to the advantage of the consumer.

It is not wise to say that we should consider only the interests of the producer of agricultural commodities, for we must remember that we have a large number of consumers, in fact, numerically greater than the producers to-day in Canada. It is not fair or just to the consumer to say that in all cases in respect to foodstuffs he must accept and purchase from the Canadian producer regardless of circumstances, or pay the import duty.

Peculiar economic conditions prevail to-day respecting the price of the real necessities of life throughout the country and we must take them into consideration else we cannot deal logically or in a business-like way with the problem that I am now attempting to discuss. The situation to-day is altogether different from what it was some years ago. A new set of facts and conditions confronts us and it is our duty, in providing a remedy and in seeking some alleviation of present conditions on behalf of the consumer, to study the actual facts and conditions so that we may discuss the remedy in an intelligent manner. The effect of a tariff to-day is not what it was a few years ago. The same is true of the United States and of all the world. Trade has become internationalized, and many duties exist upon imports which do not affect the quantity of the imports or the price of the article or articles imported. I believe that if the duty were removed from some articles it would not vary in one iota the quantity of imports of such articles, nor perhaps would it affect the price. There are combinations of trade between some producers, between transportation systems, and between middlemen that absolutely nullify the effect and intention of a tariff. For that reason I say that the question of tariffs to-day must be considered in the light of new conditions. This, I think, was well expressed in the following annual crop report of the Department of Agriculture of the United States issued January, 1914:

> The long line of distributors and middlemen between the farmer and consumer are in a position to take advantage of the market and to a certain extent control the market in both directions, because they are better organized to keep informed of crop and market conditions and to act more promptly than either farmers or consumers, who are not organized and as individuals are helpless.
>
> The high prices paid by consumers, ranging from 5 to nearly 500 per cent in some cases more than the farmer received, indicate that there is plenty of room for lowering the cost of farm products to consumers and at the same time largely increase the cash income per farm without increasing farm production.

This, Sir, is, I believe, an actual fact in the working out of things to-day. When one discusses the removal or reduction of tariffs upon agricultural products, it does not follow that the producer will be affected in the least, although it may operate to the disadvantage of the middleman or possibly some transportation system. I do not think it is the opinion of many farmers or producers of foodstuffs, that the tariff now existing is in their interest. I do not say that statement is not subject to some exception, because I dare say there are some producers of certain agricultural foodstuffs, who would contend, and perhaps with some measure of success, that a tariff was of some advantage to them. But generally speaking, the producer does not get the advantage of any substantial proportion of the price paid to-day by the consumers of staple foodstuffs, as has been proven time and again in many instances in Canada and the United States. There are some producers of foodstuffs in this country, who are now asserting that the removal or reduction of duties upon foodstuffs will operate as an injury to him. A memorial from the Dominion Council of Agriculture was presented to this Government in December last, and in that memorial I find these words:

> We ask that all foodstuffs be placed on the free list, as we believe that the taxing of foodstuffs is a crime against humanity.

Mr. EDWARDS: Who said that?

Mr. MACLEAN: The Dominion Council of Agriculture represents a very large body

of the producers of agricultural products in the province of Ontario, and of the West. I believe that very shortly after this memorial was presented to the Government, a counter-memorial was presented by another delegation from the province of Ontario. Am I right in that?

Mr. BEST: The members of the first delegation were agriculturists; the members of the second delegation were farmers.

Mr. MACLEAN: I think the truth is that the first delegation was composed of farmers and the second was composed of polticians. It appeared that way to me at least. The second delegation appear to me to hav- been staged to counteract the representations of the former delegation or memorial. I do not know whether the first one was or not; at all events, they were quite frank.

Mr. ROGERS: If my hon. friend will excuse me, I would like to say that that statement is not in accordance with fact.

Mr. MACLEAN: Which statement?

Mr. ROGERS: The statement that the delegation was engineered and brought down here for a purpose.

Mr. MACLEAN: Though I am always glad to accept the word of the Minister of Public Works, I must say that it had to me that appearance.

Mr. BEST: The farmers of Ontario, who came here on the 21st of December, 1911, did not say they wanted free wheat.

Mr. MACLEAN: I do not know that the hon. gentlemen opposite would be glad to submit that issue once again to the farmers of Ontario.

Mr. BELAND: South Bruce.

Mr. MACLEAN: The question of the high cost of living and of placing foodstuffs on the free list, subject to the possible exceptions and considerations I have mentioned, deserves a more complete argument than I intend to make to-night. When I commenced to speak upon this point, it was my intention merely to assert some general facts and principles in connection with the question.

The Minister of Finance stated yesterday that free food means free trade. Surely that is an untenable proposition. Where does the Minister of Finance get authority for that view? He did not endeavour to substantiate it, and I doubt his ability, or that of any other hon. gentleman, to do so. You may resort to history, to experience, or to facts, but you will fail to find anything which would support the proposition of the Minister of Finance, that free food means free trade. The theory that free food means free trade is a protectionist doctrine. It is the idea merely of those who try to make the farmer believe he is a beneficary of the protection given to others. This idea I thought was long ago discarded.

Mr. ROGERS: We do not want to discard it.

Mr. MACLEAN: I suppose the Minister of Public Works is right in saying that he and his friends do not want to discard protective duties, and therefore they take refuge in the absurd doctrine that free food means free trade. He wants food to support his protective tariff duties. When protection was first established in Canada and in the United States, it was said to be for the aid of infant industries; but it is obvious that argument could not last forever, and it has been abandoned. The old established industry seems to want protection as much as the industry started but yesterday. In the United States they abandoned that thirty years ago; and when they did so, what did they take up? They said it increased the wages of labour. That argument was urged for a period, but it has also been abandoned. Nobody urges that to-day. Experience has proved that it cannot be established as a fact. Up to the year of 1890 or thereabouts there was no such thing as protection for the farmer in the United States tariff. It was the McKinley tariff Bill which imposed upon agricultural products a tariff for protection purposes. It was in the time of McKinley that we first heard the campaign of protection for the farmers. He was placing the responsibility of the continuance of the high protective tariff upon the farmer, but he really intended it for other classes. Even the protectionist, I thought, had abandoned the justification of the tariff upon the ground that it is necessary for the farmer's interest. He has resorted to another argument, namely, that there should be a tariff to equalize the difference in the cost of production in the home country and in the importing country. That is the doctrine put forward today in the United States in support of the policy of protection. That was the doctrine held by the Minister of Finance last session or the session before when he introduced his Tariff Commission Bill. That was his justification for it. He never then

urged that, if you have free foodstuffs, you will have free trade. He did not then mean to suggest that it costs more to produce foodstuff in this country than it does in the United States, and that it was necessary to determine the precise difference by a tariff commission. Therefore, I say that the proposition that the placing of foodstuffs upon the free list necessarily means the adoption of free trade, is untenable and absurd. I do not propose pursuing my argument further upon this point.

In conclusion, considering the peculiar economic conditions prevailing to-day, considering the high cost of living which presses sorely upon many classes of our people, considering the extremely high prices of the actual necessities of life, particularly foodstuffs, considering the fact that the producer of foodstuffs apparently receives little if any advantage from the Canadian tariff to-day imposed upon foodstuffs, I ask: have we not reached that stage when we might, for the benefit of the consumer, place foodstuffs upon the free list? That is the position which we upon this side of the House take, and I think the position is sound as a general principle. I believe we have the human side at least of the issue. Hon. gentlemen opposite say we must continue it upon foodstuffs or the whole fabric of our tariff will fall. That position is unsound; and the Min-

9 p.m. ister of Finance, in making his tariff changes yesterday, demonstrated to some degree at least that that doctrine was unsound, because he made decreases as well as increases, in the tariff rates, and in some instances he placed articles upon the free list.

Economically our position upon this question is sound. I believe it is in the interest of both the producer and consumer, I submit that the Government should immediately take into consideration the matter of taxation upon foodstuffs in this country. If the Minister of Finance desires to adhere to the position that he asserted yesterday, that he will not consider the demand of the Canadian consumer for the remission of taxation upon foodstuffs, if he will continue to adhere to the position that he will not consider the revision of the tariff upon foodstuffs, we are satisfied to meet hon. gentlemen opposite before the people of this country upon the issue. We are ready to meet them at Philippi upon that policy.

Mr. H. B. AMES (St. Antoine): Mr. Speaker, it has fallen upon me to endeavour to deal with some of the arguments laid before this House by the junior member for Halifax (Mr. A. K. Maclean). It is not my intention to occupy the time of the House for a period of four hours, but I shall endeavour in a few moments, as speedily as I can—for I am a man of rather few words—to deal with some points at least which the junior member for Halifax has made, and which I think should not pass unchallenged.

In his opening remarks he made two observations, one of which I can re-echo, the other of which I would take issue with him upon. He expressed the hope that the present depression was only temporary, and that full prosperity would very speedily arrive. While hardly admitting that Canada to-day is not fully prosperous, I shall still be quite prepared to join with him in hoping that greater prosperity may come to her in the near future.

When the junior member for Halifax characterizes the remarks made in this House yesterday by the hon. Minister of Finance as being apologetic and fearful, I confess that I cannot share his views. As near as we could judge from this side of the House—and the hon. Minister of Finance must have presented an altogether different appearance from the other side, if the remarks of the junior member for Halifax hold good—the Minister of Finance seemed full of optimism, vigour and determination—and, I trust, of good health—to carry to a successful issue those projects which he brought forward. The junior member for Halifax laboured long and arduously all afternoon in an endeavour to convict the hon. Minister of Finance of some wrongdoing. I feel very much like letting the verdict go as 'not proven.' I do not think the hon. gentleman has brought home in his criticism anything very serious with reference to the policy of the Government or of the Minister of Finance. And yet, I am hardly willing to even let him have the benefit of such a verdict, because I believe that the feeling of this House is that the Minister of Finance, in dealing with this question and with his own record, has been, if anything, over modest, as is his wont, and has not taken to himself the full meed of praise to which he is certainly entitled. After three years of successful administration there begin to emerge a sufficient number of facts and figures to make comparison with previous

administrations possible; and I propose to take a few moments to emphasize some of the points which seem to me worthy of being spoken of and being again emphasized in the remarks of the Minister of Finance.

The Minister of Finance is no pessimist; he is a conservative optimist. He sees things as they are, and he does not see shadows where shadows do not lie; and I think he is prepared to fearlessly face the future in the belief that Canada will be able to continue her forward and prosperous career. We all admit that there are periods of temporary depression; we all admit that a new country goes ahead very much like the kangaroo, by long leaps with occasional rests between. We all admit that progress cannot be measured in absolute equality year after year, that there are years when we recuperate, and years when we expand with such rapidity that we hardly know ourselves as we grow. One has only to look out upon the spectacle which nature gives us here, and will give us in the next few weeks. There are days when the buds open rapidly, when we can almost see things grow; there are other days when the winds are cold and the sun is hidden, when for several days it does not seem as if there was any progress made in growing vegetation. But we all know that spring and summer will come, that the bud will appear and the leaf and flower and fruit. And so do we believe it will be with Canada, that, though there may be days, though there may be years, when progress is not quite so rapid as in others, yet we are certain that the growth and expansion which we now note is but begun.

Now, the year 1912-13 has already been referred to and was referred to by the Minister of Finance one year ago. It may almost be termed ancient history. And yet the figures were not fully before us a year ago, but are now recorded in a blue book. This being always the state of affairs, it is customary, when the Budget Speech is made, to deal with two years instead of one. That the year was wisely administered, we all admit, that was the year when the Finance Minister, looking out upon the world—and the Finance Minister of Canada must consider conditions in every part of the world—anr seeing dark clouds gathering, with war threatening in certain quarters, made preparations, as he wisely should, to meet this storm when it should gather, to offset a depression which might come. For, as we all know, Canada and the rest of the world are so intimately linked together that no part of the world can suffer in non-productiveness without all the world suffering in consequence; and when war breaks out in one part of the world we, like all other parts of the world, feel the results of it even in this peaceful and prosperous country of ours. So the Finance Minister exercised caution to such an extent that out of the revenues of that year 1912-13 after meeting all the running expenses, everything that could be properly charged to consolidated revenue account, he had no less than $56,630,000 to the good. And he took that sum, as he wisely should, and invested it—invested it in permanent public works, to the extent of over $32,400,000, works which are, for the most part productive, and he invested the balance in the reduction of the debt. So, in that year, our public debt was decreased by $25,617,000. In other words, having a revenue of $3, he spent $2 in current expenses and laid $1 away partly in supplying revenue producing works and partly in liquidating our indebtedness to the world. Could anything be more wise or more conservative than that? Can any year in the history of Canada show a better record than that?

And what had been foreseen with wise foresight by the Finance Minister came to pass. The year from which we have just emerged 1913-14 was not a year of the greatest prosperity such as Canada sometimes sees; it has been a year in which there were trying conditions, and we were able to meet those conditions and overcome them very largely because of the wise foresight exercised in the administration of our affairs for the previous year.

We have before us, the approximate figures for the year 1913-14. They are not complete, but they will serve for the purposes for which we wish to use them. We find that we have had a revenue on consolidated fund account of $163,000,000. The diminution was due mainly to a falling off in customs duties, which is no cause for special alarm, for it means that importations have not been quite as great as usual, and that means that there has been a general reduction of stocks held by our leading firms and that their renewals of these stocks have been more or less cautious owing to the falling off in the demand of the country. But we are perfectly sure, since the quantity of goods that must

be consumed in Canada does not greatly vary year by year except as it expands with our increasing population, we may be sure that in a very short time our customs revenue will again expand, because stocks throughout Canada are low and must be increased. So, there is no reason to expect a serious falling off in revenue within the next few years.

Now, the year 1913-14 which by the junior member for Halifax has been subjected to much criticism, will, I think, bear most minute scrutiny and careful examination. In that year our revenue was $163,000,000. We expended on current expenses chargeable to consolidated fund $126,500,000. In other words, the balance to the good after paying running expenses, was $36,500,000 That was not enough, says the junior member for Halifax, to pay all capital demands. That I admit. Nor do I lay it down as a rule that enough should annually be collected to pay all capital demands. It has always been the custom in new countries—dominions, provinces, cities—when a great public work was undertaken which would be for the benefit of generations yet to come, that a portion at least of that expense should be borne by those who eventually will profit by it. And so when a great capital expenditure is made it is customary that a portion of the required amount shall be paid for by money borrowed and the carrying of sinking fund and interest shall not be merely upon the shoulders of the present generation, but upon the shoulders of those who may come alter and are likely to enjoy the benefits. So, I would not lay it down as a rule, to be deviated from never that all the money spent on capital account must be taken from the annual taxation of the people, and must be paid for year by year. A reasonable amount may each year be borrowed, and, provided it is invested carefully so that we get one hundred cents on the dollar in productive enterprises, there can be no criticism of this course as being bad finance. But there are a good many of the accounts that had to be paid in the last year for which this Government is not at all responsible. We heard more than once, to quote the classical phrase of the Minister of Finance, that it is the hereditas damnosa which has taken away our apparently surplus revenue. Let us see just what are the reasons why this year also we did not reduce the public debt. In the first place, we had to provide for a certain number of public works. We could not bring them suddenly to an end. There is construction in various parts of Canada—work on the Intercolonial, the canals, the public buildings, harbour improvements— all had to go on, and upwards of $19,000,000 was spent in that way which it would have been difficult if not dangerous to have curtailed. Then, let us also remember that during the last year we had to meet $12,600,000 for the National Transcontinental railway; we had to meet $2,800,000 for the Quebec bridge, and between one and a half and two million dollars for the Hudson Bay railway. Let me in all fairness ask members of this House which of these three projects are the ministers now in power responsible for; and if that $17,000,000 has to be provided for this year, can it be said that it is due to the extravagance of this Administration, when all these projects were originated before this party came into power?

But the feature of the expenditure last year which strikes one most forcibly, although it was passed over very lightly indeed by the junior member for Halifax, was the great sum that was required to be paid out in railway subsidies. Railway subsidies have been paid in this country for the last thirty or forty years. If you look back over the list of expenditures you will see that in the twenty-nine years which end with 1913 there has been paid out for railway subsidies $48,430,187. It is to be presumed that this resulted in the construction of many lines of railway. That is an average of a little over one and a half millions a year, and never before in a single year has the amount exceeded $5,000,000. How much was it last year? I wonder if the members of this House, I wonder if you, Mr. Speaker, have any idea of the sums that were expended during the year 1913-14 in railway subsidies? They reached the enormous sum of $19,036,236, almost enough to account for the entire addition to the debt that has taken place during the last year. Now, we admit that the present Government is to some extent responsible for expenditures on capital account, which I have totalled at $19,000,000. We admit that they may be held responsible because they would not allow great works to cease in connection with the National Transcontinental railway, the Quebec bridge and the Hudson Bay railway. But for these railway subsidies you have only to look back at the legislation to find that, with one exception, I think, they are not primarily chargeable to the present Government. Some of

these railway subsidies have run away with very large sums of money. If, for example, you total what was paid last year to the Canadian Northern Pacific, the Canadian Northern Alberta, the Canadian Northern Ontario, you will find that they took $14,301,000, and every one of the original Acts was passed in 1910 or 1911 and were part of the hereditas damnosa which has fallen upon this Government. And recent events demonstrate, I think clearly, that the stand which the present Prime Minister took when in 1911 the former Government brought into this House a measure for the building of the Canadian Northern Ontario railroad, has been more than justified by the events. He asked at that time some very pertinent questions as to whether there was room for a third transcontinental railway at the present time, and he expressed a good deal of doubt in that respect. I am sure that the doubt he then expressed has become firmly fixed in the minds of many people to-day. How do you get railway competition? Not always by building railroads. It is possible to build so many railroads that you cannot get railroad competition. When you have two railroads serving a district where there is not quite enough traffic for both but pretty nearly, you get competition and a reduction of rates. Where you have three railroads serving a district where there is not enough traffic for two, you get a combine and a general keeping up of rates, or one or two of the railways go under the hammer. So this country, I think, has frequently been led away with the idea that it was always justifiable to build a railway, always justifiable to subsidize a railway, always justifiable to give a bond guarantee to a railway, and yet it may happen that we in Canada are considerably anticipating our railroad needs and that it becomes necessary for us often times to take money, that we need for other things far more, to carry out the promises of a previous Administration.

But to come back to our financial discussion for a moment, I want to congratulate the Finance Minister on his foresight, as I have already said, in preparing for this year 1913-14. Many demands were made upon him and yet the year has a showing of which he need not in any way be ashamed. True, he had the disagreeable task of frequently refusing to lend the aid of the Government to propositions supported by many a member, propositions which were unquestionably valuable but which will have to stand over because of other needs that must be met. Well the clouds are clearing and the time will come, I trust, when we shall be free from the inheritance that has been left us and be able once again, on our own initiative, to decide what shall be done with the money which the taxpayers contribute. I said that the Finance Minister, seeing that hard times were coming, made preparation by laying aside one dollar out of every three that came into his hands in 1912-13. His predecessor, the Finance Minister of some years ago, has been referred to to-night and has been held up as a shining example, yet I hardly think if our present Finance Minister had followed his example, he would have found himself in the enviable position in which he is to-day. Five years ago there was one of these cycles of depression. 1907-8 had been a bumper year. The revenues had reached nearly $100,000,000. Hon. members used to brag about that. The actual figures were $96,000,000, and yet in that year, with $96,000,000 of revenue there was an over expenditure of $11,000,000, all kinds added together. In that year there were ominous signs of troubles to come. Did the Finance Minister of that day put on the brakes? No, there were threatenings of stringency, and yet full steam ahead was the watchword of the Government at that time. In 1908-09 the revenues fell, as they were expected to fall, by $11,000,000, to $85,000,000. The total expenditure of that year was $131,000,000, and the net result was that we added $46,000,000 to the net debt of Canada in a single year. Oh, yes, the former Finance Minister did put on the brakes, but he did it one year too late. He could not do it in 1908, for obvious reasons.

The junior member for Halifax indulged in a comparison of records. We are quite willing to submit to such comparisons. We have only three years that we can point to as having held the reins of power, while our predecessors had between fifteen and sixteen years, but we are quite willing to compare our three with their fifteen or sixteen. Turn, for example, to the net debt. In 1896, when the Conservatives went out of power, the net debt of Canada was $258,497,000. In 1911, when the Conservatives came into power, it stood at $340,042,000; it had increased in the sixteen years of Liberal rule by $81,500,000, or at the steady rate of about $5,000,000 a year. I am not seriously objecting to a moderate increase of debt, because, as I previously explained, it is sometimes necessary that capital expenditure should be distributed over a term of years

but I do not like to hear people bragging about what they really have not accomplished, and consequently it becomes necessary to make a comparison of this character. The net debt in 1911 was $340,000,000 odd. The net debt on the 31st of March, 1914, was $333,300,000. In other words, the previous Government added $81,500,000 to the debt in sixteen years while the present Government in three years have not only not added a dollar, but they have reduced the debt by $6,750,000—and that although they have put $125,000,000 into enterprises that are usually chargeable to capital account— at least, not chargeable to consolidated fund.

If you take the three years before and the three years after that great event of the 21st of September, 1911—the years 1909, 1910 and 1911 showed an increase in the public debt of $62,000,000, while the years 1912, 1913 and 1914 showed a decrease in the public debt of $6,750,000. It will therefore be seen that we are in a better position by nearly $69,000,000 when you compare the three years previous to September, 1911, and the three years that followed.

We all remember how the changes used to be rung in this Chamber on the annual surpluses Somehow or other, however much might be added to the public debt it was always stated that there was a surplus at the end of the year and the previous Administration prided themselves on that. We used to criticise the method by which it was calculated, and perhaps we should criticse it even now, but at least we will call it by its right name and only use it for purposes of comparison. What do we find in this matter of so-called surpluses; because what used to be regarded as a surplus was the amount of money you had left after you took the total revenue and deducted therefrom the current expenses or what was chargeable to consolidated fund. That is what was called a surplus even although it might be wiped out two or three times over in a year by capital account. Taking the fifteen years from 1896 to 1911 we find that these much vaunted surpluses aggregate $167,000,000. Although the debt had grown $81,500,000 in that time, the claim was always made in this House that there was an annual surplus. Using the same method of comparison we find that the first year after this Administration came into power there was a surplus of $37,946,000; in the second year a surplus of $56,630,000, and in the third year, which has just passed, a surplus of $35,000,000, or somewhere around that figure—the figures are not yet complete. In other words, the surpluses during the last three years have totalled $130,000,000, and if we have good luck for one year more, the total surpluses in the lifetime of the present Parliament will be equal to the surpluses of the four Parliaments of the 16 years that preceded it.

Some of our liabilities have been referred to by the hon. gentleman who preceded me, and perhaps it might be well just here to say a word regarding some of the maturing liabilities that have been dealt with in the last two years. It is always a pleasant thing to pay your debts, and when they are paid promptly it is worth while taking credit for it. On the 1st of May, 1912, there were liabilities falling due to the extent of $22,785,000 odd. Of that we were able to redeem 80 per cent in cash and we had only to continue a loan of some $5,440,000. On the 1st of October, 1912, we had $6,010,000 falling due, every dollar of which was paid in cash. On the 1st of October, 1913, we had $8,273,000 falling due, every dollar of which was redeemed in cash; and on the 1st of November, 1913, we had $1,446,500 falling due, all successfully met, and now we are happy to say that for the first five years with the exception of temporary loans there is no more of our funded indebtedness to be dealt with. The Government has come to the end of the woods.

In connection with this indebtedness, an interesting feature came to my notice which perhaps is not really pertinent to this discussion, but which, nevertheless, from an historical point of view at least will be interesting to the House. We paid off last year the last of the old Imperial guaranteed loan. On the 1st of October, 1913, we paid off $8,273,333, the last loan that had the underwriting of the British Government as guaranteeing it in the markets of the world. There was a day when Canada had not the credit she has to-day, and when she could not undertake any great work without first having made very careful preparations as to where the money was coming from. In those days the lenders of the world were not so ready to give us money on our own face value as they are to-day, and it is interesting to look back and see how the Imperial Government stood behind Canada in those early days and made it possible for this country to carry on some of her great works. In 1869 there was $7,300,000 outstanding of imperial guarantee loan at four per cent. In 1874 that had reached $16,000,000; by

1877 it was up to $23,300,000; and in 1885 it stood at $31,633,333. In other words $31,600,000 of the debt of this country was at one time underwritten by the British Parliament. Why was that done? In the first place we find the objects for which the money was used. It was used for the purchase of Rupert's Land, for Canadian defence loans, for the Canadian Pacific railway, for canal construction, and for other public works which in those earlier days were more than this country could carry upon its own credit. It was not after all, though, a matter so much of credit as it was a matter of saving of interest that really led the British Government to come to our assistance in that respect. That is brought out very clearly by Sir Francis Hincks who in 1872, spoke in the House of Commons as follows:

> But if we went into the market for $40,000,000, one half our own, and the other half guaranteed by England, and, with the prestige that England sanctioned our great public improvements, the advantages would be very great, so much so that I am persuaded that under those circumstances we should get our 5 per cent bonds floated at par, and therefore we should be able to float half at 4 per cent and the other half at 5 per cent, or equal to 4½ per cent on the whole amount. This would, therefore, make a difference of 1½ per cent on the whole amount of $40,000,000, equal to $600,000 a year.

In other words, when Canada found it necessary to borrow $40,000,000 in order to undertake the necessary public works, canals, railroads, and so on, the British Government undertook to guarantee half of that amount in order that half that loan should be floated at four per cent and the other half at five per cent, instead of all being floated at six per cent, bringing about a saving of interest of $600,000 a year. If that had been persisted in, it would have amounted in forty years to upwards of $24,000,000. In other words—and this is the interesting part of it—when our credit was not what it is to-day, the motherland was prepared to help us out and guarantee our loans, even though the money was to be spent in Canada. The mother country was prepared to make it possible for us to borrow in the markets of the world at a rate of interest otherwise impossible, and now the time has come when we have paid off all those loans and we can to-day go into the markets of the world and borrow what we like without the imperial guarantee. Now that that time has come, there has come with it certain responsibilities and duties which this part of the empire, which regards itself as no longer needing a guarantee, should take upon itself.

[Mr. Ames.]

I regret that as yet it has not shown that it appreciates this fact.

We have been told by the hon. junior member for Halifax that no less than $60,000,000 was borrowed last year. This is held up as a huge sum, as a sum entirely unwarranted, and yet I think if we examine what was done with it we will see, in the first place, that we could not help borrowing and, in the second place, that we used the money well. It was used to meet maturing liabilities to the extent of $10,000,000 that were unavoidable. We have to meet our debts when they come due. We had to buy Grand Trunk Pacific bonds at par; we bought $11,133,473 worth in 1912-1913, and we bought $12,872,233 worth in 1913-14. We did that to save Canada's credit in the money markets of the world. We thought it better to do so than to have bonds with Canada's guarantee upon them sold over the auction counter at a job lot price.

I was much amused when my hon. friend undertook to point out that an investment of money in Grand Trunk Pacific bonds should not be regarded as an asset. He said: You should at least take them at 75 cents on the dollar. That does not sound very much like the debate we listened to a little while ago. We certainly believe that the day will come when these bonds will be worth par. We look upon these bonds as securities upon which the full three per cent will be paid; and we hope the day will come when we can dispose of these bonds at par. We have apparently more faith in the Grand Trunk Pacific project than have our hon. friends opposite when they say to us: You have taken $23,000,000 of Grand Trunk Pacific bonds that should not count at all as assets because we consider them of very doubtful value. That is the hardest knock that the Grand Trunk and the Grand Trunk Pacific have had in this House, and they have had some hard knocks. Then we had to loan the Grand Trunk Pacific last year $8,500,000. So you see that in these three items that I have mentioned $31,000,000, or more than half of the total of the amount is at once taken up. These items go to increase the gross debt, but they are investments bearing interest, and one of the very interesting matters which hon. gentlemen can verify for themselves is to see how the percentage that we are getting upon our investments is increasing while the percentage that we

are paying for our money is decreasing, showing a very satisfactory state of affairs.

My hon. friend entertained us for some time with a denunciation of the high rate of interest that had been paid on certain temporay loans by the Minister of Finance within the last few months. There are times when it is not desirable to go upon the money markets of the world and attempt to float a large loan. If you happen to have liabilities maturing it may be better to finance them as best you can for a new months. Under those circumstances you negotiate a short loan, sometimes for six months and sometimes for a year. The Minister of Finance, just like all other Ministers of Finance in this country, had at times to raise certain temporary loans. We were told that the discounting of treasury bills at 4½ per cent was something that could under no circumstances be justified. Well, you only have to turn back to the Budget speech of Mr. Fielding in 1909, where he gives a table of the loans which up to that time had been issued, and you will find that a 4 per cent loan issued in December, 1908, and good for four years, carried a rate of interest, or what we speak of as the annual effective rate of interest per unit, of .04796 per cent, or 4⅘ per cent, although the loan just preceding carried an effective rate of interest of .0288 per cent. This proves the fact that the amount of interest that must be paid upon a loan varies very considerably, and it oftentimes happens that for a short loan the Government have to pay rather a high price for the money they get.

These outstanding temporary loans were criticised severely this afternoon, but they are nothing new. It is not as if the making of temporary loans was a crime that had been committed for the first time. Let the hon. gentleman turn up the public accounts and he will see that temporary loans were quite customary under the previous Administration, and I do not blame them for it. In 1908, when the figures of the year were cast on the 31st March, there were found to be temporary loans outstanding of $9,300,000; in 1909, $13,600,000, and in 1910, $17,033,000. Therefore, the fact that the Minister of Finance of the present day has a loan of $8,500,000 to-day outstanding is nothing for which, I think, he should be blamed to any extent.

I have also been very much interested in the remarks of my hon. friend (Mr. A. K. Maclean) with reference to retrenchment. It seems to me that the subject is out of place at this time. If the speech of my hon. friend had been delivered during the National Transcontinental railway debate a few years earlier, or when the National Transcontinental railway was discussed in the House here a short time ago, it would have been extremely pertinent. I would like to take quotations from that speech and insert them in some of the speeches that were made some years ago in reference to the National Transcontinental railway and the Grand Trunk Pacific, or some of the speeches that were made only a few weeks ago in reference to that extravagant expenditure. But I should like to ask my hon. friend this question. He declared that we should have brought some of these great expenditures to an absolute standstill. He did not realize, or, if he did realize it, he would not have made these observations to the House, that at the beginning of last year very large enterprises in all parts of Canada employing large numbers of men were being rapidly pushed to completion. He did not realize apparently, that it would have been a suicidal act to have brought these great enterprises to a standstill while they were still uncompleted and unproductive. It had become necessary, and the Government realized that it was necessary, that these productive enterprises should be pushed to a conclusion. It reminds me very much of a story of a man who had fallen from a high building and who was asked if the fall had hurt him. No, he said, the fall did not hurt me, but it was stopping so quickly. The fall is not what would hurt us in this particular case, but it would be stopping so quickly that would injure the credit of Canada throughout the world. So that the Minister of Finance, in putting on the brakes gradually in order to bring about a slowing up during the past year, has pursued a course which should be commended by this House.

My hon. friend also endeavoured to gain some consolation from a quotation he made from a statement by the present Prime Minister in the days when he was in Opposition, to the effect that an enormous expenditure was prima facie evidence of corruption. If my hon. friend desired to urge that there is prima facie evidence of corruption in the expenditure of the past year, or the expenditure of the year preceding that, let me say to him that

the Public Accounts Committee is open to him. He will find no blockers' brigade to-day in the Public Accounts Committee. He will have an opportunity to investigate the expenditure to the full if he desires to do so. If this expenditure is prima facie evidence of corruption, he will find that no hindrance has been thrown in his that no hindrance has been thrown in his House. When he makes that allegation he should be prepared to back it up.

We have also been asked what was being done by this Government to bring about wider markets. To those who have asked this question, I say: I believe the greatest work is now under way that has ever been undertaken in the British Empire, to bring about a better understanding between the various portions of that empire for the opening up of extended markets. You are all aware of the work the Minister of Trade and Commerce is doing as a member of the Royal Commission on the natural resources, trade and legislation of certain portions of His Majesty's Dominions; you are aware that a select body of representatives from the overseas dominions, and from the mother country, is visiting each part of the British possessions, and is making the most careful study ever made as to how the trade relationships between the various parts of the empire may be stimulated, directed and improved. I have here on my desk some of the preliminary reports of that commission, so I have some idea of the great care which is being taken by that commission, and the great value of the results they are obtaining. When the work of that commission is completed, I think we may rest assured that there will be in its report that which will enable the various British Dominions to get together and to do very much towards making our trade relations better.

Before closing I want to say a word about the tariff policy, which has been referred to at such great length by my hon. friend (Mr. A. K. Maclean). I do not pretend to deal with all the arguments he has adduced, but I would like to say, and I think in saying it I voice the sentiments, at least, of every member on this side of the House, that we were more than pleased with what the Minister of Finance said the other day upon the tariff. We felt that it had a true ring about it; that it placed the question squarely where it belonged, and that there was no intention of pretending one thing in one place and another thing in another place, but that we want it to be plainly understood, from the Atlantic to the Pacific, just where we stand. We were asked why it was that there was applause on this side of the House when the reduction in the duty on certain agricultural implements was announced. I will tell hon. gentlemen opposite why. There was applause on this side of the House from ardent protectionists, and why? It was because we felt that notwithstanding the reduction there was still all the protection that the industry in question needs at the present time; because we felt that that great industry had become so firmly established and had reached out and captured the markets throughout the world to such an extent, that it was able to stand a reduction from seventeen and a half per cent to twelve and a half per cent on certain agricultural implements, and could still afford employment for Canadian workmen, and could still be able to thrive even under that reduced protection. If we had imagined that under that reduction of tariff it would have meant the closing of this industry, I feel quite confident that no such proposition would ever have emanated from this side of the House. Let me point out one thing which perhaps has escaped the notice of some of the hon. gentlemen opposite, and it is, that had the reciprocity pact gone into effect in September, 1911, we could not have made that reduction; we could only have gone down to fifteen per cent; we would have been tied up and dependant on permission from Washington to have reduced our own tariff to twelve and a half per cent. So, I say, in all sincerity, I am proud that a great Canadian industry, such as that which manufactures harvesters, reapers, and binders, has attained such a position that it is able to compete on equal terms in all parts of the world with others which are engaged in similar work. When I was in Australia several years ago, both with amazement and with pleasure I noticed the magnificent organization of the Massey-Harris Company for the distribution of their goods, and I saw with pride their advertisement in which they said: Buy harvesters and reapers made under the flag; and, the Australians responded to that appeal.

On this matter of the tariff, this party has always stood for reasonable protection, and this party must keep faith with itself; it must not destroy the work of its own hands; it cannot, at the same time, walk forward and walk backward.

I do not know that I need to deal with the question of free food; there are others to discuss that who may not feel called upon to speak on the question of the country's finances. Free food means free trade—yes, I quite agree with that. If we are to have protection at all, we must have protection generally throughout the whole community; if one man is not entitled to protection, neither is another. If the farmer of this country can have no protection, he has a perfect right to demand that nobody else shall have protection. So long as the farmers of this country, as I believe they do in large numbers, need and desire protection, they are entitled to it.

I might apply almost the same reasoning to the matter of free wheat. A good many different arguments have been adduced by the Minister of Finance, and there are other arguments which might be adduced, but the argument which pleases me is simple, and it is this: that the proposition which was made by the United States is not merely a proposition of wheat for wheat; you have only to read it to see that. I do not know that the junior member for Halifax (Mr. A. K. Maclean) put it in such a way that the House understood it, but clause 644 of the American Tariff reads, and I shall put it on 'Hansard' in its entirety:

> Wheat, wheat flour, semolina, and other wheat products, not specially provided for in this section: Provided, that wheat shall be subject to a duty of 10 cents per bushel, that wheat flour shall be subject to a duty of 45 cents per barrel of 196 pounds, and semolina and other products of wheat, not specially provided for in this section, 10 per centum ad valorem, when imported directly or indirectly from a country, dependency, or other subdivision of government which imposes a duty on wheat or wheat flour or semolina imported from the United States.

In other words, they will let in those three—wheat, wheat flour, and semolina—if we allow in wheat, wheat flour, semolina, and the other products; they would be glad to see our bran and all our other by-products, which we would like to sell to our farmers for their cattle, sold in the United States.

But the main point is, that our worthy American friends have hung out a bait in the hope that Canadians would snap at it. They hung out a very big bait in the matter of reciprocity. It reminds me that when I am salmon fishing and use a very large fly the fish will not rise, but sometimes, taking a tiny fly, particularly in clear weather, I can bring the wariest salmon to the surface; and so, our friends in the United States tried a big fly, and they threw it back and forth over the placid surface of the pool, and no salmon from the Canadian side rose. Now they are trying a small fly; they are suggesting reciprocity in instalments; they expect to bring down our wall a brick at a time; and this is one of their moves in that direction. It is not that they want our wheat, but they want to get into our market and capture our market for flour. What they want is to strangle our Canadian millers, and get not only our home market, but be an export competitor in the business, and capture that business. What did they do with the Standard Oil Company? All over the world you will find that they have strangled competition, and so they want us to take the bars down, that they can step into Canada and similarly strangle competition and become practically the controllers of the flour business of the world. Well, we don't propose to be caught that way. Protection stands four-square. You cannot say, for the benefit of getting one thing, that you will consent to sacrifice another perfectly legitimate industry; they cannot pick out of our manufactures one item after another and expect us to cut our own throats for their benefit. If they could succeed in this particular case, it would be very easy for them to try it again in some other line. In other words, in this particular instance they are trying to give us reciprocity by instalments, and if by these instalments they can induce the Canadian Government of to-day to throw one great industry overboard, they would probably continue in the endeavour and in the hope that the sacrifice of other industries might follow.

Another reason why it seems to me that this offer of the United States should not be accepted, is because of the great investments we have, both public and private, in transportation. It was a matter of interest to me the other day to look up the fact that we had expended on the St. Lawrence waterway upwards of $90,000,000; on the channel to Montreal, $16,000,000; that we are expending on the National Transcontinental railway and the Quebec bridge $180,000,000; on the Canadian Northern Ontario railway $15,000,000; on our national ports $40,000,000; and on the Hudson Bay railway $8,000,000 or $10,000,000. In other words, we have spent and are spending a sum equal to the national debt of Canada as it stands to-day to make transportation east and west possible to achieve. Furthermore, there is much to be said in favor of

maintaining for the investment that has been made the traffic which will make it possible for the railways to earn a legitimate return.

I have reached the end of what I desire to say, because I do not wish to deal at any considerable length with this tariff question to-night. The hon. Minister of Finance stated that we were about to enter upon a year when we would all have to be content to make certain sacrifies; that it would be a year of retrenchment. I am sure we are all willing to make those sacrifices. We are all of us desirous that certain public expenditures, more particularly those in our own locality, should be successfully carried through; but we are all broadminded enough to say that for the present economy should be exercised. We can, I think, assure the Minister of Finance that in his efforts in the coming year he will meet with full support from those who generally vote with him in this House. So, in conclusion, it seems to me we have every reason to congratulate the Minister of Finance and the country upon the Budget speech which was delivered yesterday.

Mr. J. G. TURRIFF (Assiniboia): Mr. Speaker, I am sure that the speech delivered by my hon. friend the Minister of Finance yesterday was looked forward to by the people of Canada with more interest than any Budget speech that has been delivered in this House for many years past. The reason for that is that Canada now is unfortunately experiencing a period of very great depression, a depression that is revealed in the great falling off in the revenues of the country, in the trade of the country, in the revenues of the railway companies, in the returns of the clearing houses of the banks, and in the immigration to this country. But my hon. friend the Minister of Finance told us that the depression was practically over, and that, with the opening up of Spring, Canada would go and prosper. There must have fallen upon my hon. friend the Minister of Finance at least a much better mantle of prophecy than he has been carrying on his shoulders for the last six months. I remember him saying in Montreal six months ago that there had been a depression, but that the depression at that time was all over. He was backed by his leader the right hon. the Prime Minister who also stated that the depression was over and that Canada had entered on an era of prosperity such as she had never had in the past. When the House opened in January, my hon. friend the Minister of Finance acknowledged that there was a depression, but stated that it would soon pass over. Therefore I think the people of Canada will be justified in taking with a very large grain of salt the statement of my hon. friend that the depression is now over.

My hon. friend the Minister of Finance stated that this depression existed throughout the world. I do not know where he got that information. He certainly did not get it from the trade returns of Great Britain, the greatest trading nation on the face of the globe. There is no depression in Great Britain. During last year and the year before there has been one of the greatest periods of prosperity ever experienced in Great Britain, which is a free trade country so that the prosperity there has not been due to protection. Therefore the depression has not existed throughout the world, and my hon. friend will have to revise his opinion if he still thinks that the depression in Canada is only a part of what exists throughout the whole world. My hon. friend for Thunder Bay and Rainy River (Mr. Carrick) did not consider that there was no depression when he was speaking in the House a few weeks ago. He pointed out that conditions were in a very grave state of depression, especially as regards the iron and steel industries. The depression existing to-day is much greater than it was six months ago or even three months ago, and there has not been a time since the Conservative party went out of power in 1896 when there has been such a great depression existing throughout the Dominion of Canada as exists to-day. There are more men idle to-day than ever before in the history of Canada. While speaking to one of the greatest financiers in Canada a month or two ago, I mentioned that the orders from the West to the manufacturers of the East had been cut in two. 'Why,' he said, 'to my knowledge they have been cut in four or five.' I heard a manufacturer in Montreal stating within the past month that from one end of Canada to the other he questioned whether the factories were running more than half the time: I do not know whether that statement is correct or not, but this gentleman is a manufacturer and he ought to know. Does that look as if the depression was over? What has caused the depression? What steps have been taken by my hon. friend the Minister of Finance to remedy the depression?

10 p.m.

What is the basic industry of this country? Agriculture. What probably is the next greatest industry? Manufacturing—that is one of the great industries at all events. How do you benefit the farmers who form half the people of Canada—what is it that makes them prosperous? They have the land, the climate affords favourable conditions; all you need to make the farmer prosperous is a market for his product. And on whom do the manufacturers depend chiefly for their success? I leave it to the Minister of Finance himself if it is not the money that is produced out of the soil of Canada that is at the root of all prosperity in this country. If the farmers are not prosperous, how can the manufacturers be prosperous? What does the farmer do with the money he gets? He does not bury it in the ground; he spends it chiefly in manufactured goods after all. That money goes into the villages, then to the cities, and then to pay the men who have made the goods that he has consumed. But the Minister of Finance refuses to give the farmer a market and increases the very cause that has led to the depression—over-production of manufacturing. Instead of remedying matters he increases the load that the farmers have to bear.

The hon. member for St. Antoine (Mr. Ames) has made a few statements to which I wish to refer briefly. I notice that he, very truthfully, gives credit to the late Government for having inaugurated the Hudson Bay railway. But let me tell my hon. friend that all his colleagues from the West, and the press there supporting hon. gentlemen opposite, give all the credit to this Government for initiating that enterprise. They never say that the late Government had decided to build the road and had let the contract for a part of it; they take all the credit to this Government for having undertaken the construction of that railway. However, the hon. member for St. Antoine was right in that matter. He also referred to the fact that during the last year or two the Government had to pay out a considerable amount of money for railway subsidies under laws that were passed at the instance of the late Government. He forgot to tell the House that last year this Government made a gift of some sixteen and a half or fifteen and a half millions to the Canadian Northern Railway Company, and a great deal of that was paid out during last year. And, if the late Government expended too much in railway subsidies, what about this gift to Mackenzie and Mann?—for it was simply a gift. It is no use for anybody to say: We got $7,000,000 of the common stock of the company. I say, the Government did not get $7,000,000 in the common stock of the company. The common stock that had been issued was not affected; they simply printed $7,000,000 more for this Government, and $7,000,000 to put in their own safe. But the hon. member for St. Antoine forgot to mention that. Then, if all reports are true, the gift of sixteen and a half millions to Mackenzie and Mann that would enable about $12,000,000 to go into the Canadian Northern railway and about four millions into the pockets of Bill and Dan, is to be supplemented this year by a much larger gift in the way of guarantees.

Mr. AMES: If the hon. member will allow me: I may have inadvertently made a statement not strictly accurate in connection with the subsidy for the Canadian Northern Ontario railway. What I wanted to say was that the Canadian Northern Ontario railway subsidy of $12,800,000 paid this year largely was made necessary on account of legislation which was passed in 1911—not that it was authorized by legislation passed in 1911, but that it was made necessary by that legislation.

Mr. TURRIFF: That is a different statement—

Mr. AMES: I did not intend to make a misstatement; I desire only that the hon. gentleman clearly understand what I meant.

Mr. TURRIFF: Of course, the hon. gentleman would not deliberately make a mistake, but the fact remains that if he criticises the late Government for giving subsidies to the Canadian Northern railway and other railways how does he better the position of this Government by going away beyond and giving an additional sixteen and one-half millions? It was not rendered necessary by any previous legislation, in my judgment, for the simple reason that the owners of the Canadian Northern railway could very easily have put back sixteen and one-half millions of funds that they have taken out of the unfortunate British bond-holders and out of the people of this country in subsidies and guarantees from the different provinces and this Government and the previous Government. They did not have to come to this House; they could have put up the money out of their own pockets. But do you think they would do that? Oh, no; they have not

come to that; they are not built that way. And my hon. friend, while criticising the previous Government 'raises' them with this fifteen and one-half or sixteen and one-half million.

The hon. gentleman took a good deal of credit for the present Government for surpluses, and gave the total of the surpluses for the fifteen or sixteen years of Liberal rule at $167,000,000, and the total of the surpluses for the three years of the present Administration at $130,000,000. But when hon. gentlemen opposite came into office they found a surplus of $38,000,000 in the treasury, and they surely cannot take credit for that. Had the hon. gentleman (Mr. Ames) been exactly fair he would have given the figures for Liberal rule not at $167,000,000 but at $205,000,000, and for the present Government not at $130,000,000, but $92,000,000. Hon. gentlemen opposite, I know, do not always consider it necessary to be exact. But my hon. friend from St. Antoine rather prides himself on being pretty handy at figures, and I should have thought that he could have come a good deal nearer to being right than he managed to do.

Mr. AMES: My authority is the public accounts.

Mr. TURRIFF: That is a good excuse. But the hon. gentleman knows as well as any man in this House that that is not a fair statement—although the public accounts are all right. He knows that his friends found a surplus of $38,000,000 in the treasury when they came into power.

My hon. friend had a good deal to say about the junior member for Halifax having made reference to the fact that the bonds of the Grand Trunk Pacific railway which were purchased were at present worth only about seventy-five cents on the dollar. It was not the junior member for Halifax who made that statement; it was the Minister of Finance who made that statement yesterday and the junior member for Halifax was only quoting the words of the hon. Finance Minister in his Budget Speech. My hon. friend also gave great credit to the Finance Minister—and I am not going to say anything against that—for his good judgment in going slow in granting subsidies to railways. I only hope that my hon. friend will follow that up and that when the Finance Minister comes to deal with the tremendous demands which are now being made on this country by the Canadian Northern railway he will be able to induce the Finance Minister to go slow. That is a matter that we can discuss better when it comes up in the regular way.

My hon. friend from St. Antoine division took up the question of new markets, and in that he was rather more vague than he usually is. I shall not blame him for being vague on that question. How can he help being vague on that question? We have had the Minister of Trade and Commerce travelling all over creation during the past two years trying to find new markets for Canada. He made a deal with the West Indies, a twopenny-halfpenny deal in connection with which we will spend far more in subsidizing steamers to carry what little trade can be got than the trade is worth. He spent months in Australia and New Zealand trying to make a deal but he could not do it. He went over to China and Japan and now he tells us that the Chinaman and the Jap are going to commence to eat flour and that there will be a market for Canadian wheat and flour in far-off Asia. I think it is an acknowledged fact that the home market is the best market, and also that the nearer you get your market to home the better for the producers of the articles you have to sell. The Minister of Trade and Commerce is going to do such great things in the future, according to my hon. friend from St. Antoine; he is going to put a blue book on the table, a report that is going to change the whole face of nature and provide a market for the Canadian farmers. Unless his success in the future is a great deal better than it has been in the past two or three years it will not amount to very much, although my hon. friend from St. Antoine says: Wait a little. But if hon. members on the Government benches want us to get a market for the producers of Canada, is it necessary to run to Australia and New Zealand and China and Japan? There is a market right at their own door, a market awaiting them, a market in the country of the richest people on earth, people who want our goods, people who have got the money to pay for our goods. That market is there, open at our door, open for acceptance by the people of Canada. Yet my hon. friends on the Treasury Benches, like the dog in the manager, will not allow the people of Canada to have that market, they will not allow the Canadian farmer to get the best out of his own product; but they say, we will send our Minister of Trade and Commerce to try and educate the Japanese and Chinamen to eat flour and then we will

be able to send a few shiploads of wheat to China and Japan. And the hon. member for St. Antoine says wait a little while, you will get your market there.

Mr. WRIGHT: Would the hon. member consider a country a good market for Canadian produce that has more of the same kind of produce at home than they can use, for which they have to find a market abroad?

Mr. TURRIFF: I consider a country a good market for Canadian wheat that will buy the wheat and pay the money, and I do not care if they send ten times as much out. I would ask my hon. friend where the western farmer is going to sell his wheat five years from now.

Mr. WRIGHT: He will have to sell it to some country that needs it. I consider the United States as good a market for our wheat as Wales is for our coal.

Mr. TURRIFF: My hon. friend says that you have to sell your wheat in some country that needs it. How many countries are we selling to now? One country, and that country never takes more than one-fifth of what she wants from Canada, and what is more, it is doubtful if she ever will. Why? Because there is a crop of wheat ripening in every month of the year in some quarter of the globe. She sends her ships with British goods to those countries. Do you think she is going to bring those ships home empty and then send them over to Canada for Canadian wheat when she can buy it there, and buy it cheaper in many cases? Not at all. You have got to get another market for the western farmer in wheat or only one thing can follow, and that is that the western farmer has got to go out of growing wheat. You cannot dump all the wheat that we will have to export in a few years on England, even if England took her whole wheat supply from Canada. But, as I said, she will never take more than one-fifth to one-quarter of her wheat from Canada. My hon. friend asks: How can you sell wheat to the United States when they export wheat themselves? We can sell wheat to the United States when they want to buy it, and conditions are becoming such in the United States that there is a great deal of land now growing wheat that is growing wheat at a loss, and that they will have to take out of wheat growing. You must have one of two conditions to produce wheat, either cheap land or cheap labour. In the United States they have neither cheap land nor cheap labour, and on land that is worth $100 an acre there is not a man on earth can grow wheat and get interest on his money at the present prices of wheat.

Mr. WRIGHT: Notwithstanding that, they have 80,000,000 bushels of wheat annually to export.

Mr. TURRIFF: My hon friend is astray if he says they export 80,000,000 bushels of wheat.

Mr. WRIGHT: I have the United States statistics from the Agricultural Department at Washington direct.

Mr. TURRIFF: At all events, the American people offer to buy our wheat, they offer to pay higher prices for it than we can get at home, and is that not enough for our farmers? Why do our farmers need to go beyond that? Why does each individual farmer need to bother his head whether the United States buy that wheat from him and then export a bushel of their soft wheat. The reason the American people want our wheat is because it is a hard wheat. Only a small portion of the United States can grow wheat of the quality we raise in Manitoba. The state of North Dakota and part of Minnesota grow the hard wheat, but all the other states produce the soft wheat, which does not make the class of flour that the people of the United States want. They have to mix one bushel of hard wheat with every four bushels of soft wheat in order to get the desired quality of flour. That is why the Canadian farmer can get more for his wheat in the United States than anywhere else, and that is why the farmer in North Dakota gets more for his wheat than the farmer 500 miles south of him. That is quite plain. But yet hon. gentlemen opposite, including members on the Government benches, have argued time and again that wheat is not dearer in the United States than in Canada, and they very dishonestly quote No. 1 and 2 Manitoba Northern as against No. 1 and No. 2 Minneapolis. My hon. friend the Minister of Public Works knows perfectly well that No. 1 Manitoba Northern is a different wheat altogether from No. 1 Minneapolis Northern. He knows that No. 2 Manitoba Northern is much better wheat than No. 1 Minneapolis Northern, and that No. 3 Manitoba Northern is in many cases a great deal better than No. 1 Minneapolis Northern.

Mr. WRIGHT: Does not my hon. friend know that they have no fixed grade for wheat in the United States?

Mr. TURRIFF: My hon. friend shows how little he knows about the subject. I propose to give my hon. friend some information on the subject of grades in Minneapolis. He says they have no stated grade. Here is what the Act says:

No. 1 Northern spring wheat shall be dry, sound, sweet and clean, may consist of the hard and soft varieties of spring wheat and weigh not less than 57 pounds to the measured bushel.

No. 2 Northern spring wheat shall be dry, spring wheat, not clean enough or sound enough for No. 1, but of good milling quality and must not weigh less than 56 pounds to the measured bushel.

No. 3 Northern spring wheat shall be composed of inferior, shrunken spring wheat and weigh not less than 54 pounds to the measured bushel.

Mr. WRIGHT: What I stated was that there was no general grade for wheat in the United States. Every state has its own grade, and in several places the wheat is graded by the different boards of trade.

Mr. TURRIFF: Let us contrast No. 1 Manitoba Northern against the Minneapolis grades:

No. 1 Manitoba Northern wheat shall be sound and well cleaned, weighing not less than 60 pounds to the bushel, and shall be composed of at least 60 per cent of hard red Fife wheat.

No. 2 Manitoba Northern wheat shall be soound and reasonably clean, of good milling qualities and fit for warehousing, weighing not less than 58 pounds to the bushel, and shall be composed of at least 45 per cent of hard red Fife wheat.

Any wheat not good enough to be graded as No. 2 Manitoba Northern shall be graded No. 3 Manitoba Northern in the discretion of the inspector.

So that if there was only 40 per cent of hard Red Fife wheat it would not be classed as No. 2 Manitoba Northern, but would be graded No. 3, and we would have a wheat weighing 58 lbs. to the bushel graded as No. 3 Manitoba Northern that had 40 per cent Red Fife wheat in it; whereas No. 1 Minneapolis Northern only has to weigh the same, and does not need to have one grain of Red Fife wheat in it; It will also be seen that there is a difference of 3 lbs. to the bushel between No. 1 Manitoba Northern and No. 1 Minneapolis Northern, and that No. 1 Manitoba Northern has to have at least 60 per cent of hard Red Fife wheat, whereas No. 1 Minnesota does not need to have any hard Red Fife wheat at all. Any one can see how absolutely unfair it is to quote No. 1 Manitoba Northern against No. 1 Minneapolis Northern, but that is just exactly what hon. gentlemen opposite and the Conservative press throughout the country are doing and have been doing right along. I have heard the Minister of Finance himself doing the same thing, but I do not think he will do it again, as he knows better now.

As I said before, only two states on the other side of the line can grow anything like the quality of wheat we grow in the West, so you can understand, Mr. Speaker, why hard wheat grown in Manitoba, Alberta and Saskatchewan commands a much higher price in the United States than the softer wheat that is grown in most of their states. It has been the custom of hon. gentlemen opposite and their press to take the quotations for the month of July or August. For a week or so in those months wheat is quoted at a lower price in Winnipeg than in Minneapolis, but even then, considering that No. 3 Manitoba Northern is about equal to No. 1 Minneapolis Northern, the Winnipeg price is really better. Hon. gentlemen opposite quote the figures just at that time of the year to show that Canada has lost nothing by not having free trade in wheat. There are times in the months of July and August, when no wheat practically is coming into the Winnipeg market, and when any wheat that has been carried over the winter has been marketed, that shippers who have engaged space in the steamers carrying wheat across the lakes and the ocean find that they are short of wheat and they have to get an extra 10,000, or 20,000, or 50,000 bushels to make good their contracts and occupy their space and then perhaps for a week or two wheat may jump two or three cents. The farmers are not bringing in any wheat and it is just a matter of speculation. The farmers of the West are losing millions of dollars a year on account of the refusal of this Government to take advantage of the offer that was made under the tariff of the United States in October last. Millions and millions of dollar are being lost by the farmers, and at whose instigation?—the millers and the railways. The Minister of Public Works knows that free wheat would be to the advantage of the farmer. When my hon. friend was in the province of Manitoba not many months ago, participating in the Macdonald election, he made a very ingenious promise to the farmers he was talking to there as a result of which every one of them believed that he had promised them free wheat. Other speakers went

through the country promising them free wheat. One of his particular friends introduced a resolution into the Manitoba Legislature recommending free wheat. Yet we find that hon. members opposite representing Manitoba constituencies all voted against free wheat. Do they think that all the local members are wrong? Do they think that they have made a mistake? Does my hon. friend the Minister of Public Works believe that free wheat would not be to the advantage of the farmers of Manitoba and that the members of the Manitoba Legislature were wrong?

Mr. LEMIEUX: Was there a vote in the legislature?

Mr. TURRIFF: There was a vote in the legislature and every member of the legislature, Conservative and Liberal alike, recommended this Government to accept the offer of the Government of the United States and put wheat on the free list. The hon. member for Souris (Mr. Schaffner) who, I am sorry is not in his seat just now, stated not long ago in the House that he represented eighty-five per cent of the voters in his constituency and that he brought their thanks to the Government for what they had done for the western farmers. I would like to ask my hon. friend if he thinks that in voting against free wheat he represented eighty-five per cent of his constituents? My hon. friend in 1908 had a majority of 650 and in 1911, because he was against reciprocity, his majority was cut down to 62.

But the argument that was put up then that we were giving a great deal for reciprocity cannot be put up against free wheat. The American people have offered us free wheat and hon. members from the province of Manitoba will have something to explain to their people when they go back. I would venture the statement, Mr. Speaker, that no hon. member of this House can go to the farmers of Manitoba, Saskatchewan, or Alberta and get any farmers' organization to pass a resolution endorsing the action of the Government in refusing free wheat. You can get individual farmers; that is easily done. That can be accomplished, that can be staged, that can be organized exactly as the delegation that was brought down here to oppose free wheat was organized, but you cannot get any one farmers' organization in the West, and I doubt very much if you can get a farmers' organization in the East, to endorse the action of the Government in refusing free wheat.

The Minister of Finance said that you have to protect the farmer. I would like to ask the Minister of Finance, if he were here, who are the best judges as to whether they want protection or not? I would like to ask the Minister of Finance, and in his absence, I will ask the hon. Minister of Public Works, who is leading the House, if any industry in Canada would have protection imposed upon it if it did not desire it. Take the woollen industry or the cotton industry; supposing a delegation elected to represent these industries came to this Government and said: We have had protection a good while, we are in such shape now that if protection were wiped out and our product put on the free list it would enable us to hold our own market at home and increase our exports very materially, to make more money and do more business—would not my hon. friend think that he would be absolutely justified in saying that these manufacturers of woollen and cotton goods were the people who ought to know best and that if they did not want protection, protection should not be forced down their throats? Yet that is exactly what the Government are doing with the farmer. The farmer says that he does not want protection. The farmer says that protection on wheat is no good to him, that it does not give him anything but the Government say: You do not know what you are talking about; protection is good for you, and you must have it whether you like it or not.

I would like to read an article by a farmer dealing with this very question, and I may say that I happen to know this farmer very well. He lives in my constituency. I have been through some seven or eight elections and this gentleman was one of the most able, sturdy and dangerous opponents that I had for many years, and one who did more against me in several of my elections than any other man in that part of the country. He had the ability. He was a Conservative of the Conservatives, an Orangeman among the Orangemen, a real, genuine Orange Conservative in the old days and a good one. He is a high-class man, but he was so bitter in his politics that he could not see anything but: vote Conservative. That man happens to be living close to the boundary line, and he has for a good many years sold a great deal of his farm products in the United States. He is the manager of, or helps to manage, an elevator at the town of Sherwood, in Dakota, owned almost altogether by Canadian farmers living in this vicinity. I would like to give you his views on the wheat question. These are the views of an actual farmer, a man

who grows thousands of bushels of grain every year himself, and who raises a good deal of stock. These remarks were made at a meeting of the municipal officers held in the city of Regina about a month ago. This article is published in the Regina Leader of March 5:

Free wheat must come to farmers' aid—Municipality of Argyle is striking example of need of American market—Paying duty to States—Farmers do better in United States market even when handicapped by tariff.

J. G. Burke, reeve of the municipality of Argyle, and a delegate at the Rural Municipalities' Convention in session at the city hall, is a strong advocate of reciprocity. Mr. Burke at one time was a Conservative but is now devoting both time and energy in the interests of reciprocity as the one solution to the marketing of western grain.

'Why should I not support reciprocity,' asked Mr. Burke.

'When you consider that in the southern part of the municipality of Argyle, including Mount Pleasant, in the past several years the sum of $50,000 has been lost to the farmers by reason of the duty on grain, the injustice of the present duty is at once apparent. If all the grain in that district had been shipped to the States the amount would have been three times as great.'

'While the construction of the proposed Georgian Bay canal and the deepening of the St. Lawrence river and Great Lakes waterways would no doubt be a great help in the marketing of the western grain,' said Mr. Burke, 'the quickest, the best and the only solution is reciprocity. Millions have already been spent in the deepening of these waterways, and the result has been that the freight rates have increased. We have no assurance that the freight rates would be reduced with the completion of these proposed works. What we want is reciprocity.'

Ninety per cent of the grain grown in southern Argyle was already being shipped to the States, Mr. Burke pointed out. Forty per cent of the grain produced in the whole municipality from the fall of 1912 to November 21, 1913, 350,000 bushels of grain from southern Argyle, had been shipped through the two outlets, Antler and Sherwood, North Dakota. Duty was paid on one-third of that amount, or a little more than 100,000 bushels. The rest went through in bond. If the American market remained high enough all the time, the farmers of the district would prefer to ship all their grain by way of the south and pay the duty.

Continuing, Mr. Burke said: 'The duty on wheat is 10 cents, on barley 15, and on flax 20 cents. In November last, for flax grown on my own farm and shipped south, I paid a duty amounting to $187. From the middle of September up until a week ago, the average American flax has been from 20 to 21 cents per bushel higher than Canadian flax of similar grades. In November, I received from $1.01 to $1.09 per bushel for all the flax I sold in the States. I realized anywhere from one to ten cents more per bushel by shipping my flax to the States, even after the duty was paid. Why should I not be in favour of reciprocity and with the doing away of the duty?'

Mr. Burke quoted the instance of a man who had a car of potatoes for sale last fall. From inquiries at Winnipeg in October, he found that the best he could get was thirty-five cents per bushel for his potatoes, bagged and all, while in Iowa he could get $1 per bushel. After paying 22 cents per bushel for freight and six cents for duty he realized 73 or 74 cents per bushel by selling them in the States. Mr. Burke believed the States would always be in a position to draw heavily on the resources of Canada, especially in wheat products, because of the inferior quality of wheat grown in the States. They would always require a large quantity of good hard wheat, while in Canada there was no market for barley at all.

These are the views of a farmer who knows what he is talking about; a man who grows the grain and pays the duty and sells his product in the United States, and gets a considerably higher price for it than he would in Canada. And, when the proposition was made by the United States to put wheat on the free list, this Canadian Government turned it down. At whose instigation? At the instigation of the millers and of the railways. For every dollar that the millers have invested in Canada, the farmers of Canada have one thousand invested; for every dollar the Canadian millers pay out in wages, the Canadian farmers pay out one thousand dollars. The farmers of Canada have more money invested than have the railways, while in the case of the farmers it is their own money, and in the case of the railways one-half of it is practically the money of the farmers. But still this Government listens to the railways, and they have turned the farmers down cold, absolutely cold. What did the farmers get out of the Budget of yesterday?

An hon. MEMBER: Five per cent on agricultural implements.

Mr. TURRIFF: No Sir, they did not, and the statement of my hon. friend shows just how much he knows about it. The hon. gentleman cannot be a farmer; he is probably a gentleman who farms the farmer. What the farmer got was a reduction of five per cent on binders and mowers, but the tariff on the other implements is kept up. My hon. friend from North Ontario (Mr. Sharpe) as usual is flip, and he is wrong. The proposition under the reciprocity agreement was a reduction of two and a half per cent on these items, and five per cent off everything else, and yet my hon. friend says that five per cent on two items is more than the Liberals offered to the farmers. Who stopped them

from getting the benefits of the reciprocity treaty? Hon. gentlemen opposite did.

Mr. ROGERS: My hon. friend has made a mistake, and I am sure he does not wish to misstate the case. He used the words: 'five per cent on everything else.' In the reciprocity pact there was no reduction provided for in the case of threshers.

Mr. TURRIFF: If I made a mistake I am very glad to be corrected, but I can very soon state what the five per cent was proposed to be given on. It was on, hay-rakes, manure-spreaders, drills, seeders of all kinds, disc-harrows, double-discs, shoe-drills, grass-seed attachment for drills, cultivators, ploughs, scufflers, and wagons. I notice that the Minister of Finance did not announce any reduction in the duty on ploughs. The hon. member for Brantford (Mr. Cockshutt) evidently was able to step in and prevent that. The hon. gentleman could sell a Cockshutt plough in the United States, years ago, and pay a fifteen per cent duty, and 45 per cent duty on the repairs, and undersell, or compete to the extent of selling trainloads in the United States. But the Cockshutt Plough Company does not want any reduction of the duty in Canada. The hon. gentleman would not even be satisfied with the five per cent reduction, bringing the tariff down from twenty to fifteen per cent; he must have the full pound of flesh. There are farmers in my constituency who came from the United States and who brought over Cockshutt steam-gang or gasoline gang-ploughs which they bought in the United States, after a duty of fifteen per cent had been paid on them. These ploughs have gone as far west from the factory as 400 miles west from Winnipeg, and these settlers bought them in the United States and brought them into Canada, and when they went to the Cockshutt office in Weyburn to get another plough of the same sort, they found they had to pay from $100 to $110 more for that same plough that they brought into Canada without paying duty. There is no reduction to the farmer on anything but binders and mowers, and when they reduced protection by five per cent on these items, the Government immediately put on far more in the duties on iron and steel. A farmer will buy a binder every eight or ten years, and the Government take off five per cent, which means a reduction of about $5 in the duty. But every time he buys a keg or a pound of nails, a paper of tacks or anything made of iron or steel, something which he does every day in the year, under the tariff as announced yesterday, for the reduction of $5 on his binder and $2.50 on his mower, or a total of $7.50, he will pay $35 or $40 in the increased cost of the articles on which the duty was put yesterday by placing iron and steel in the dutiable list. It was a cold deal handed out to the farmers yesterday, the coldest deal ever handed out to them.

Mr. WM. SMITH: Poor farmers!

Mr. TURRIFF: Yes, poor farmers.

Mr. SMITH: We can stand it.

Mr. TURRIFF: Yes, you can stand it, no doubt. Political farmers can, but the farmers who have sent you here may have something to say about the matter. A good deal of explanation will be required, and my genial friend the Minister of Public Works will have something to do to get away from the promises the farmers thought he made. I acknowledge that my hon. friend has left a loophole to escape through. Oh, yes, and he will crawl through it all right; but this refusal to give free wheat will cost the party a good many votes, and this cold deal of taking off $5 and adding on $20 to material made of iron and steel bought by the farmers, will require a great deal of explanation in the West. I do not believe even my hon. friend from St. Antoine (Mr. Ames), with his magic lantern, will be able to explain that away in the West.

On motion of Mr. Turriff the debate was adjourned.

On motion of Mr. Rogers, the House adjourned at 11 p.m.

Wednesday, April 8, 1914.

The House met at Three o'clock, the Speaker in the Chair.

PRIVATE BILL.

FIRST READING.

Bill No. 154, respecting The Grand Trunk Railway Company of Canada and The Canada Atlantic Railway Company.—Mr. Fripp.

NEWFOUNDLAND SHIPPING DISASTER.

PROPOSED AID FOR SUFFERERS.

Right Hon. R. L. BORDEN (Prime Minister): Mr. Speaker, I would like,

with the consent of the House, to mention the recent appalling disaster that has overtaken a great many persons engaged in the sealing industry of Newfoundland. The latest reports seem to indicate that the disaster is even greater than was at first apprehended, as nothing has been heard of one of the ships, the Southern Cross, although two steamers are, I believe, still engaged in endeavouring to find some trace of that vessel. Some days ago I sent a telegram to the acting Prime Minister, the Hon. John R. Bennett—Sir Edward Morris, the Prime Minister, being absent. The telegram was in these words:

Ottawa, Ont., April 4, 1914.

The Acting Prime Minister,
St. John's, Newfoundland.

On behalf of the Government and people of Canada my colleagues and I desire to express our profound sympathy with the people of Newfoundland in the terrible disaster to the seal hunters, tidings of which we have just received.

(Sgd) R. L. Borden.

To which the following reply was received on the same day:

St. John's, Nfld., 4th April, 1914.

Rt. Hon. R. L. Borden,
Prime Minister,
Ottawa, Ont.

Sincere thanks for kind expressions of sympathy from yourself, Government and people of Canada, which I am sure will be greatly appreciated by the people of this colony.

(Sgd) J. R. Bennett,
Acting Prime Minister.

Yesterday I addressed a further telegram to the acting Prime Minister in these words:

Ottawa, Ont., 7th April, 1914.

Hon. J. R. Bennett,
Acting Prime Minister,
St. John's, Newfoundland.

With consent of your Government I propose submitting to Parliament an appropriation in aid of families of those lost in recent calamity and of survivors. Kindly let me know whether your Government will approve. I hope you have news of Southern Cross.

(Sgd) R. L. Borden.

To which, this morning, I received the following reply:

St. John's, Nfld., April 8, 1914.

The Rt. Hon. R. L. Borden,
Ottawa, Ont.

Have submitted your message to ministers who greatly appreciate the practical expression of sympathy from the Government of your great Dominion. Government and people here will gratefully accept such contribution as you may offer in behalf of the sufferers by the sealing disaster. Regret that up to the present no tidings have been received of Southern Cross, but search is still being prosecuted by two steamers.

(Sgd) John R. Bennett,
Acting Prime Minister.

The calamity which has befallen those engaged in this arduous pursuit is a very great one, as I have a private telegram that seems to indicate that nearly 250 lives will have been lost, assuming that the Southern Cross will not be heard from again. It seemed to the Government appropriate that, under the circumstances, the sympathy, which is undoubtedly felt by all the members of this House, by all the people of Canada, towards the Government and people of Newfoundland, and particularly towards those who have suffered by this calamity, should be expressed also in a practical form, as I suggested in the telegram sent yesterday. I wish to announce that the Government purposes submitting to Parliament an appropriation of $10,000 for this purpose.

Right Hon. Sir WILFRID LAURIER: The action of the Prime Minister in communicating with the Newfoundland Government, under the sad circumstances, is worthy of all commendation. On this side of the House we shall be happy to join with my right hon. friend in extending the sympathy of the Dominion in the practical manner he has suggested. While I have no doubt that the Government of Newfoundland is quite capable of extending what relief may be needed, still, being so closely related as we are to our sister colony, the proposal of the Prime Minister meets with hearty support on this side of the House.

QUESTIONS.

(Questions to be answered orally are indicated by an asterisk.)

CANADIAN NORTHERN RAILWAY CONDUCTORS.

Mr. CRUISE:

1. Has the Government received a demand for a conciliation board from certain conductors of the Canadian Northern railway in Manitoba and Saskatchewan?

2. If so, what are the names of the applicants and what was the nature of such demands?

3. Is it the intention of the Government to grant such request? If not, why not?

Mr. CROTHERS:

1. Yes.

2. (a) Henry Edward Barker, George Morden Anderson. (b) Reinstatement by company of five conductors dismissed

on charges of alleged violation of the Secret Commission Act.

3. The application is under consideration.

OTTAWA LEASED BUILDINGS.

Mr. MACDONALD:

1. Has the Government leased any part of the Temple building, Ottawa?
2. If so, how much of it, for what term and at what price?

Mr. ROGERS:

1. Yes.

2. Part of ground and first floors for 5 years from 15th November, 1913, at 75 cents a superficial foot, or $6,141 per annum.

Mr. CARVELL:

1. Has the Government leased a part of a building in Ottawa belonging to the Journal Publishing Company or to Mr. P. D. Ross?
2. If so, for what term and at what price?

Mr. ROGERS:

1. Yes, from the Journal Printing Company.

2. For 5 years at 70 cents a superficial foot.

KINGSTON PENITENTIARY INQUIRY.

Mr. EDWARDS:

1. How many days were occupied at Kingston by each of the Penitentiary Commissioners in investigating conditions at Kingston penitentiary?
2. How much was paid to each commissioner for the above service?
3. How many days were occupied by each of the penitentiary commissioners outside of Kingston in connection with their investigations?
4. How much was paid to each commissioner for the above service?
5. How much has been paid to date to each commissioner for his services, his living allowance and his travelling expenses respectively, and how much is still due each commissioner on each of these?
6. How much has been paid to each of the counsel employed to assist the commissioners and how much is still due to them?
7. How much has been paid to cover expenses of witnesses testifying before the commission?

Mr. DOHERTY:

1, 2, 3, 4. The accounts have not yet been submitted.

5. The only payment as yet made to the commissioners are sundry advances on account of incidental and travelling expenses, amounting to $2,250.

6. To H. A. Stewart, $731.95; to C. R. Webster, $322.61. Nothing is still due them.

7. Final accounts not yet submitted. Inspector Hughes has been paid travelling expenses, amounting to $262.66.

PORT DANIEL LOBSTER HATCHERY.

Mr. MARCIL:

1. Does the Department of Marine and Fisheries intend to make any improvements at the Port Daniel West hatchery this season for the purpose of securing a better result than that obtained last year, and what are these improvements?
2. At what distance from the hatchery did the officer in charge reside during the past season, and did the staff employed there have any previous experience at all in their work?

Mr. HAZEN:

1. An extra strainer is being attached to the intake pipe, and a different kind of faucets and tubes will be used and the fry tanks rearranged.

2. His house is at Port Daniel Centre, about six miles from the hatchery. He spent twelve hours daily at the hatchery throughout the season. Four of the staff had previous experience.

LAKE ERIE BUOY SERVICE.

On the Orders of the Day being called:

Mr. PARDEE: I desire to call the attention of the Minister of Marine to the following telegram which has been received:

Marine Department accepted bid of Kenneth Frazier for Lake Erie and Detroit river buoy service. Frazier's tug John Monk, not registered Canadian vessel as required by specifications, my tender lowest complying with specifications in every respect, enter protest against awarding contract to Frazier; obtain explanation why department's action.

Is the statement in this telegram true, that the tug which has been awarded this service is an American bottom?

Mr. HAZEN: This is a question that might properly, I think, be given the ordinary notice of. I may say, however, that the Department of Marine asked for tenders for the buoy service on the Detroit river and lake Erie, and the lowest tenderer was Mr. Kenneth Frazier, who stated that he would perform the service with a tug called the Monk, and he would have it Canadian registered. I was informed at the department this morning that steps were being taken to have that tug registered in Canada. In order to be registered in Canada, it will have to be brought into Canada and the duty upon it would have to be paid. Then it would have to be examined by the technical officers of the department to see if it is such a tug as could be registered in Canada. These are the facts, so far as I know, at the present moment.

THE BUDGET.

Consideration of the motion of Hon. W. T. White (Minister of Finance) for the House to go into Committee of Ways and Means, resumed from Tuesday, April 7.

Mr. J. G. TURRIFF (Assiniboia), resuming: Mr. Speaker, I wish to express my thanks to the Minister of Public Works (Mr. Rogers) for allowing me to adjourn the debate last night at eleven o'clock. I was then dealing with the duty on agricultural implements, and I was pointing out that the Budget Speech delivered on Monday last was a raw, cold deal for the farmers; that the farmer had got practically nothing, and that the manufacturers got practically everything that was given by that Budget. I pointed out that the reduction of five per cent on the duty on binders and mowers would mean $5 on a binder and $2.50 on a mower, and as these implements would ordinarily last from eight to ten years, that therefore each farmer was getting a reduction of about ninety cents per annum. While the Minister of Finance (Mr. W. T. White) did that with one hand, on the other hand he enabled the manufacturers to take ten or twenty dollars a year out of the pockets of the farmers, by the increase in the price of materials, in giving the manufacturers increased duties on iron and steel. The Minister of Finance stated that the reason he was able to put these two items on the free list was because the Canadian manufacturers of binders and mowers had been so successful that they were able to compete with the whole world. But the hon. gentleman might as well have said, in so many words, that the manufacturers of all other Canadian implements were behind the times, that they were not able to compete, and that they were not able to make as good an article as could be imported into Canada. I take issue with the Finance Minister. I sold Massey-Harris implements for a good many years, and I would not say the Canadian manufacturers could not make as good a wagon, or as good a plough, or as good a seeder, or as good a disc, or as good a disc-harrow, or as good a rake, or as good a manure-spreader, or as good any other kind of implement, as could any other manufacturer. The reason given by the Minister of Finance is, therefore, not a good reason for making the reduction on these two specific items. If my argument is right, it means that while the farmer has an advantage of $5 on a binder and $2.50 on a mower, yet the Canadian farmer is to be salted because in the opinion of the Minister of Finance the Canadian manufacturer cannot make other implements as good as those we import. That is the logical conclusion of my hon. friend's argument. If I am misrepresenting him, I shall be very glad to be corrected; but I do not think I am misrepresenting his argument, and that would be the last thing I would think of doing.

Mr. W. T. WHITE: I do not assent to the view that my hon. friend is not misrepresenting my argument, but of course I do him the justice of saying that he is not wilfully misrepresenting me.

Mr. TURRIFF: All right; we will leave it at that—difference of opinion. My hon. friend the Minister of Finance, during the course of his speech, told us that he himself made an investigation of the books of the different manufacturers of agricultural implements in Canada as to whether or not they were making undue profits. When he came to that part of his speech, I asked him a question. My hon. friends opposite seemed to resent my doing so. I do not think my hon. friend the Minister of Finance resented it at all. He had no reason to complain of the number of questions asked or the manner in which they were asked. I was simply seeking for information; but my hon. friend the Minister of Finance certainly satisfied the members behind him, because he absolutely refused to answer my question. He did some very fancy sidestepping and also took considerable credit to himself for being an expert auditor. I believe the hon. minister is fully entitled to take credit to himself for being an expert auditor. If I had to make a choice of hon. members for that class of work, I would choose my hon. friend the Minister of Finance. He has youth, ability, brains and experience; and when he made an audit of those books, he knew something about them. The question I asked was a very mild, modest one. I will read it to the House. My hon. friend had just spoken as follows:

> We have made an inquiry as to the factory cost of production of the principal agricultural implements in Canada and the United States. We have examined the balance sheets of manufacturers with the idea of ascertaining what their position is and whether or not they are making undue profit upon their business.
>
> MR. TURRIFF: Would the hon. gentleman state whether, in making that examination, he also examined as to what amount of cash was in the stock and what amount of water?

Of what use is an examination as to the profits of any manufacturing concern unless one knows how much money they have in their business and how much their paid-up stock represents in cash and in water. This is the reply of my hon. friend:

MR. WHITE: The examination as to selling price was made by a trusted official of the Customs Department, Mr. Thomas Costello. He examined into the cost of production. I examined the balance sheets myself and I think, without paying myself too much of a compliment, that I know something about a balance sheet. After having given this matter the most careful and painstaking consideration, we are satisfied that on only one range of implements can the duty be lowered without violation of the fiscal policy of reasonable protection which is designed to encourage and promote the establishment of industries in Canada.

I venture to say that, when my hon. friend was through with that examination, he had a very good idea of the financial conditions as shown on the books of the companies; but if he did not make an investigation as to the amount of water and of cash put originally into what is represented to-day by paid-up stock, he knew absolutely nothing about what profits the companies were making. Will my hon. friend say now whether or not in that examination he looked into the question as to how much water and how much cash were represented in the paid-up stock of the company.

Mr. WHITE: I am not called upon to answer my hon. friend, but I shall be very glad to do so as a matter of courtesy. The financial position of any company, the amount that is owed to its banks, the financial obligations that confront it are shown in its balance sheet, quite apart from any question of stock; that is to say, whether an institution owes $5,000,000 or $20,000,000 is shown by its statement. Where I regarded it as necessary, I inquired into the matter to which my hon. friend has drawn our attention, and I made the necessary inquiries to satisfy myself. In connection with some of the companies, that question as to watered stock did not arise for the reason that no dividends whatever were paid on the stock that in any degree represented water.

Mr. WILLIAM SMITH: Try it again.

Mr. TURRIFF: My hon. friend across the way says, 'Try it again.' I do not have to try it again. My hon. friend has acknowledged that only an occasional investigation was made in that respect. Was evidence taken under oath on that investigation? No, it was not. Will my hon. friend put that information before the House? No, he will not do that. I did not expect that he would. I want to tell my hon. friend and the House and the country that the answer he has given may apply to some manufacturers of agricultural implements that are not paying dividends, but it does not apply to the main manufacturers of agricultural implements. The Massey-Harris combine was effected many years ago. A few years afterwards I was told by one of the original holders of the stock that went into the combine that that stock did not represent fifty cents on the dollar in cash, although it was made to look as if it did. One of the holders of stock told me how it was done. Any hon. member who has had anything to do with agricultural implements or who is a farmer knows that a company like the Massey-Harris company, with hundreds and hundreds of agencies from the Atlantic to the Pacific, must keep at every agency hundreds of dollars' worth of repairs. Every year certain of their implements are changed. New patents are got out and the old repairs become junk, worth from $10 to $14 a ton for scrap iron; but those repairs were put into this merger at their retail list price, representing thousands of dollars a ton. I have sold too many repairs for binders and other machinery not to know. Repairs that would not weigh half a pound or a quarter of a pound retailed at 25 cents and some of them at $1 or $1.50. In that way the companies were able to put in value as it were, but were really putting in water to the extent of over 50 per cent. For years after that, the Massey-Harris company paid 14 per cent on their watered stock. Then when profits became too great, I understand that a stock dividend was made, so that the company would not show too great profits. Let us see what the prices of agricultural implements in Canada are compared with the prices in the United States.

Mr. MEIGHEN: What year was that when my hon. friend got that information from the manufacturers?

Mr. TURRIFF: It was many years ago, and the information was given me in the ordinary way of conversation by one of the members of one of the original companies.

Mr. ARTHURS: Was it given under oath?

Mr. TURRIFF: It was just as much under oath as was the investigation of my hon. friend the Minister of Finance. The gentleman who was telling me this did not think there was any necessity of

making a statement under oath; he was quite satisfied.

Mr. WHITE: Was the conversation to which my hon. friend refers had prior to 1911?

Mr. TURRIFF: Yes.

Mr. MEIGHEN: Did you communicate it to the Government?

Mr. TURRIFF: My hon. friend need not worry; I will be as busy as he desires before I am through. My hon. friend the Minister of Finance says that the duty cannot be taken off these implements because that would hurt the manufacturers. Let us see for a moment how the prices that the Canadian manufacturer gets for his goods compare with the prices quoted in the United States. I will read from the Grain Growers' Guide of April 1, only a week ago.

Mr. SAM. SHARPE: A good authority.

Mr. TURRIFF: My hon. friend says that in a sneering manner, but my hon. friend's brother, who sits beside him, would not dare to say that. There is not a Conservative member in this House who would dare make that assertion, because outside of the cities in the three prairie provinces there is an average of over 1,000 members of the Grain Growers' Association in each constituency, and the majority of them are Conservatives. My hon. friends opposite, therefore, need not make any sneering references to the Grain Growers' Guide, the official organ of the Grain Growers' Association of these three provinces. So far as I am concerned, I have always found it to be a fair and reasonable publication. Let us see how the prices quoted in Winnipeg compare with the prices quoted in Minneapolis. This is the statement:

	Winnipeg.	Minneapolis.
Grain binders.		
6 ft. cut with sheaf carrier, 3 horse hitch	$144 00	$125 00
6 ft. cut with sheaf carrier, forecarriage, 4 horse hitch	157 00	137 00
7 ft. cut with sheaf carrier, forecarriage, 4 horse hitch	159 00	140 00
8 ft. cut with sheaf carrier, forecarriage, 4 horse hitch	164 00	150 00
Forecarriage with 4 horse attachment	20 50	18 00
Forecarriage, less 4 horse attachment	15 50	12 50
Sheaf carrier for corn binder	10 00	5 00
Transport truck, short axle	10 00	7 00
Flax attachment	9 50	7 00
Corn binder.		
Corn binder, 3 horse hitch, less sheaf carrier	157 00	120 00
Sheaf carrier, with corn binder	10 00	5 00
Reaper.		
Reaper, 5½ ft. cut, 2 horse, for flax cutting	92 50	72 00
Mower.		
14 section, 1 horse, with shafts	49 00	41 00
18 section	53 00	45 00
20 "	54 00	45 00
20 "	59 00	47 00
24 "	61 00	50 00
20 "	59 00	49 00
24 "	61 00	50 00
Hay tedder, 2 horse, less trees and yoke	50 50	38 00
Side rake and tedder, with 2 horse trees and yoke	66 00	57 50
Hay loader, with forecarriage.	75 00	63 00
Hay rakes—Dump (all steel).		
24 tooth, 8 ft., 1 horse	31 00	23 00
30 tooth, 10 ft., 2 horse trees with yoke	34 00	24 00
36 tooth, 12 ft., 2 horse trees and yoke	38 50	28 00
Manure spreaders.		
3 horse, capacity 50 bushels	147 00	115 00
4 " 65 "	157 00	120 00
Drills. (All without seed attachments.)		
Single disc drills.		
14 disc, 1 pole, 2 horse hitch	94 00	72 00
16 " 2 " 3 "	107 50	80 00
20 " 2 " 4 "	125 50	98 00
22 " 2 " 4 "	135 50	106 00
24 " 2 " 4 "	145 50	115 00
Double disc drills.		
14 disc, 1 pole, 2 horse hitch	107 00	76 00
16 " 2 " 3 "	120 00	82 00
20 " 2 " 4 "	141 00	107 00
22 " 2 " 4 "	151 00	115 00
24 " 2 " 4 "	161 00	125 00
Shoe drills.		
14 shoe, 1 pole, 2 horse hitch	80 00	69 00
16 " 2 " 3 "	92 50	78 00
20 " 2 " 4 "	110 50	95 00
22 " 2 " 4 "	120 50	101 00
24 " 2 " 4 "	130 50	112 00
Grass seed attachments for drills.		
For 14 run drill	10 00	6 50
" 16 "	11 00	7 00
" 20 "	13 00	8 00
" 22 "	14 50	8 50
" 25 "	16 00	9 00
Cultivators.		
Corn cultivator, 2 rows	58 00	50 00
Disc harrow.		
(Out-throw. All without weight boxes.)		
12 discs, 16 in. dia., 3 horse hitch	35 00	21 00
14 discs, 16 in. dia., 4 horse hitch	38 00	23 00

	Winnipeg.	Minneapolis.
16 discs., 16 in. dia., 4 horse hitch	41 00	25 00
Forecarriage for disch harrow.	8 25	5 00
Ploughs.		
Gang, 12 in., 3 or 4 horse trees.	80 50	62 00
Gang, 14 in., 3 or 4 horse trees.	82 50	63 00
Breaker bottom for above gangs with extra shares	26 00	21 00
Sulky, 14 in., with 3 horse trees	51 00	42 00
Breaker bottom, 14 in., with extra shares for sulky	15 00	11 00
Sulky, 16 in., with 3 horse trees	52 00	43 00
Breaker bottom, 16 in. wide, with extra shares for sulky.	16 00	11 50
12 in. Cross plough, steel beam. long board, no coulter or extra shares	17 00	13 00
14 in. Cross plough, steel beam, long or short board, no coulter or extra shares	18 50	14 00
16 in. Cross plough, steel beam, long or short board, no coulter or extra shares	20 50	16 00
18 in. Cross plough, steel beam, long or short board, no coulter or extra shares	22 50	17 50
Light brush breaker, 14 in., imp. brush coulter, no extra shares, soft centre board	25 00	19 00
Heavy brush breaker, 14 in., imp. brush coulter, no extra shares, soft centre board	27 50	22 00
Scufflers.		
Horse hoe and cultivator	9 75	7 25
Wagons—(Complete).		
3½ in. arm, 2½ x 7-16 in. tire, with 10 ft. box, 26 in., plain.	86 00	72 50
3½ in. arm, 2½ x 7-16 in. tire, complete Standard wagon or farm truck, new pattern box	92 00	75 00
3½ in. arm, 3 x 7-16 in. tire, complete Standard wagon or farm truck, new pattern box	95 00	77 00
1-horse wagon, with double box, seat and shafts	73 00	47 00
1-horse wagon, with double box, seat, pole, trees and yoke	76 00	49 00

Mr. W. T. WHITE: Can my hon. friend tell me from his statement the difference between the Winnipeg and the Minneapolis price of an 8-foot binder?

Mr. TURRIFF: Eight-foot-cut binder with sheaf carrier, 4-carriage and 4-horse hitch, $164 in Winnipeg and $150 in Minneapolis.

Mr. WHITE: What is the difference between the freight rates from Toronto or Hamilton to Winnipeg and from Chicago to Minneapolis?

Mr. TURRIFF: I could not give my hon. friend an answer just off-hand, but if the freight rates in Canada are too high, my hon. friend, as Minister of Finance, should take the necessary steps to have them lowered.

Mr. MEIGHEN: What about the distance?

Mr. TURRIFF: The distance is not too great to prevent train-loads of Cockshutt ploughs being sent a thousand miles west of Minneapolis to compete with American-made ploughs after duty has been paid—and the same may be said of other makes.

The list I have read is the list given by the Grain Growers' Guide. I have taken the trouble to figure out the difference in percentage of cost. On binders, the main item that my hon. friend the Minister of Finance selected for a reduction of duties there is the least difference of all. On binders there is a difference of only fifteen per cent on the average between Winnipeg and Minneapolis. On the other item on which he has made a reduction, mowers, there is a greater difference, twenty-nine per cent. But these are the two items on which there is the least difference and on these two he made a cut in duty. But the implements that sell for a much greater percentage higher in western Canada than in the United States are the ones on which he has refused to make any reduction whatever in the interests of the farmers. Let me give the percentages:

Grain binders, 15 per cent; corn binders, 30 per cent; reapers, 29 per cent; mowers, 29 per cent; hay rakes—dump (all steel), 37 per cent; manure spreaders, 29 per cent; single disc drills, 8 per cent; double disc drills, 35 per cent; grass seed attachments for drills, 65 per cent; disc harrows, 65 per cent; ploughs, 28 per cent; wagons, 32½ per cent.

My hon. friend has reduced the duty on mowers, but a farmer must have a rake as well as a mower. Why could he not have given the farmer the benefit of a reduced price for his rake? The duty on rakes is not reduced.

Mr. MEIGHEN: How does the hon. member account for these differences of sixty-five per cent, thirty-nine per cent and forty-two per cent when the duty is only twenty per cent? What is his method of accounting for the difference?

Mr. TURRIFF: The Solicitor General is a very clever hair-splitting lawyer in an argument and I will just leave that for him to explain when he comes to speak, as I know nobody that can do it any better, to his own satisfaction, than the Solicitor General.

Mr. MEIGHEN: I cannot give your view, that is what I want.

Mr. TURRIFF: I was about to ask how it came that after the general expectation, after the general statement by many members opposite that there was going to be a great and general reduction in the duties on implements that in the end it simmered down to about ninety cents a year to the average farmer who runs a 320 acre farm, a reduction of 5 per cent on binders and mowers and absolutely nothing else. I wonder if the refusal of the Government to go any further than that synchronizes with the flop-over of Senator Jones from the Liberal party to the Conservative party. It looks very much as if it did. It seems to me that if there was any man in Canada who had good reason to stand by his party it was Senator Jones, the president of the Massey Harris Company. When, years ago, this party was on the other side of the House and made some reduction in the duties on agricultural implements, a drawback was given on the duty paid on the material that went into their manufacture, and I am told that, according to the Auditor General's Report, last year the Massey-Harris Company drew $165,000 in drawbacks. But because the Liberal party came to the conclusion that the time had come when free implements should be given to the farmers, this man, who had got every consideration, who was made a senator and who was knighted, who had 'Sir' put before his name by the kindly offices of this party—I do not know whether the leader of the Opposition at that time put the hyphen in his name or whether that was put in by himself—at all events he is the last man who could say that he was not well treated by this party. But because this party favoured helping the farmers, he apparently went to my hon. friends opposite and made a deal by which, if they would only cut the duties to ninety cents a year for each farmer, he would transfer his allegiance from the Liberal party to the Conservative party. Hon. gentlemen on the Government benches are getting the benefit of this deal but they are not paying for it, it is the farmers of Canada who are paying for the support of my hon. friend, Senator Jones, to the Conservative party. Every farmer in every province in Canada must pay an extra price for his agricultural implements in order that hon. gentlemen now on the Treasury benches may have the support of Senator Jones in the future.

Mr. BEST: You can have him back if you want to.

Mr. TURRIFF: I have no doubt; and judging by the remarks made by the Conservative press throughout the West they consider that the Government here has made a bad bargain, that they paid too much for Senator Jones.

Mr. BRODER: Put him up at auction.

Mr. TURRIFF: Oh, you have him now.

Mr. ROGERS: Does that include his title?

Mr. TURRIFF: Yes, the Minister of Public Works gets the title as well and possibly, since my hon. friend the senator would transfer his allegiance he might, for a consideration, transfer his title to the Minister of Public Works on whom it would sit so nicely. However, from all accounts Senator Jones had nothing to complain of as to what the manufacture of implements was doing for him in Canada. I am told on the very best authority that last year he drew as his share of the spoils from the Massey-Harris and other companies with which he is identified, the sum of $186,000. Fifty thousand dollars of that in salary and the balance in dividends; and I understand that in consideration of his making this grand deal for the implement manufacturers he is to receive in addition a percentage of the profits. That is the report. As I said before, the farmers of Canada have to pay for that, and hon. gentlemen from Manitoba and other parts of the West will have to explain to their followers. Yes, the Government has reduced duties on implements only to the extent of about a dollar apiece for you; iron and steel are to cost more, but to counterbalance that you will have the pleasure of knowing that the Hon. Senator Jones is supporting the Government of Right Hon. R. L. Borden; that ought to be compensation enough for you, surely.

The Minister of Finance told us that the Massey-Harris Company exported 65 per cent of their output. Might I ask the Minister of Finance if the Massey-Harris Company gets any consideration in any other market of the world besides Canada? No, they compete against the manufacturers of the world in every country except Canada. The Minister of Finance also stated that the Canadian factory of the International Harvester Company does not export to any great extent. I happened to visit their

factory in Hamilton some years ago and was told that they did quite a large export business from that city, but of course it may be different now. If our manufacturers of agricultural implements can compete with other manufacturers all over the world, why cannot they do it in Canada? The Massey-Harris Company have taken $3,000,000 out of the pockets of the farmers of Canada in excessive prices, and with that $3,000,000 have built a plant in the State of New York to compete in the American market, and they are competing there to-day. An altogether different condition exists to-day as compared with two or three years ago. At that time there was a duty on agricultural implements going into the United States. That duty has now been wiped out and Canadian manufacturers of agricultural implements have the whole United States as their market. If the Cockshutt Plow Company, years ago, could send train-loads of ploughs a thousand miles west of Minneapolis and undersell the American manufacturers, even after paying a duty of 15 per cent on the ploughs and 45 per cent on repair parts, why cannot they do so now, when there is no duty to pay either on ploughs or repair parts? I have no doubt that they can compete in every part of the United States, so that the time has come, Mr. Speaker, when, in the interests of our farmers, the duty should be taken off agricultural implements entering this country; and I am perfectly satisfied that if that were done you would not see a single manufacturer of agricultural implements in Canada having to close up his shops—in spite of the investigation made by the Minister of Finance.

The Minister of Finance said that free implements meant free trade. 4 p.m. If that is so, how does he account for the fact that in spite of the reductions made under the Wilson tariff, the United States is still a highly protected country? They have free implements in the United States, but have they not free trade? My hon. friend knows perfectly well that they have not, and that free implements have not the slightest tendency to bring about free trade in the United States. Any one can see that the reducing of the duty on one particular item does not mean free trade in all articles or anything like it.

The Minister of Finance also stated that our implement manufacturers had to pay a duty on the stone and brick used in their factories. In my opinion, not a single implement manufacturer in this country pays a cent duty on the brick or stone used in his factory, because he uses the ordinary brick or stone near at hand. My hon. friend has increased the duty on cut stone in the interests of the stone cutters and the quarry owners of Canada —another concession to the manufacturers. I do not know very much about the stone business, except that about three years ago I was interested in a building that was being put up in the city of Regina. The directors of the company wished to have a good looking building, and decided to have the front trimmed with cut stone. They instructed their architect to invite tenders, and to give the preference to Canadian stone that was quarried at Selkirk or at Stonewall, two places near Winnipeg. The tenders called for the stone f.o.b. Regina, freight and duty paid. The lowest tender was for the sum of $5,000, and came from a stone-cutting firm in the centre of the United States, several hundred miles south of Winnipeg. Their tender was $1,600 cheaper than the lowest Canadian tender, and although we wanted to give the preference to Winnipeg stone, we were not going to throw away $1,600, and we took the American stone, which proved to be first-class in every way. The Minister of Finance by his Budget has made it possible for these Canadian stone-cutters to extort that extra $1,600 on every $5,000 worth of stone that a man requires for his building. The people have to pay and the manufacturer gets the benefit. This is a manufacturers' budget from beginning to end, and the farmers and the common people get practically nothing at all. However, I am not blaming my hon. friend so much; it is about what we might have expected. My hon. friend was not elected under false colours; it was known that he was a protectionist; and the Government has quite openly declared that they are protectionists, but the people are getting a lesson on what protection means. The Minister of Finance had a splendid opportunity to give some relief to the people, now that conditions are so bad, but he did not take it. The minister stated that trade was good last fall, and he very fairly said that that was partly due to the fine weather. That is quite true. Last year by the end of December over 90 per cent of the wheat of Saskatchewan had been shipped east, whereas usually by the end of December only about

one-half of the wheat is shipped. But he might have added that it was the entry of cattle into the United States during the last three months of the last calendar year that helped to swell the exports. The Wilson Tariff came into force on the 6th of October and up to the 31st of December, 150,000 head of cattle had been exported from Canada to the United States and only 1,000 to Great Britain during those three months. I am speaking in round numbers. One hundred and fifty times as many cattle were exported to the United States, and why?—simply because the American people offered a bigger price than the Canadian farmer could get at home. Does the fact that the American people are shipping cattle to Great Britain cut any figure in that respect? What does it matter to the Canadian farmer who has ten head of steers to sell if he can get $10 or $20 more in the United States than he can get from a Canadian buyer to ship to Liverpool? What difference does it make to him if the United States ship out some hundreds of thousands of catttle to Great Britain? That shows the Minister of Finance what the taking off of duties will do.

If he would only take the duties off other farm products he would have no trouble with delegations coming from the manufacturers, because, by putting the farmer in a position to get value for his products, he would keep the manufacturers busy. As long as you hamper the farmer, as long as you keep him from getting value for his products, just so long will you keep him a poor man and just so long will you keep the manufacturers working half time and coming here and asking for more protection in the hope that it will do away with the depression. You cannot do away with the depression by increasing the burdens of the people. You cannot do away with the depression by taking the money that the farmer earns and preventing him from putting it in his own pocket.

Mr. SAM. SHARPE: Are you advocating free trade?

Mr. TURRIFF: My hon. friend is a worthy disciple of the Finance Minister. Free trade, in my hon. friend's mind is free trade in everything; free trade in food means free trade in everything. There is no man in Canada less anxious to hurt the manufacturers than I am. If you want to help the manufacturer make a market for him at home; put money into the pockets of the farmers so that they can buy and pay for the goods of the manufacturer.

Why are the manufacturers working half time to-day? Is it because of a falling off in the exports of manufactures? No, but it is because the Canadian farmer, the worker, the artisan and the labourer are not able to buy the products of the manufacturer If you want to remedy that condition, put the farmer in a better position and do it in such a way as not to hurt the manufacturer. How is it going to hurt the manufacturer if you give the farmer free wheat? How is it going to hurt the manufacturer if you secure a free market in the United States for the farmer's oats, barley and flax? Hon. gentlemen opposite have a habit of saying that because we have free cattle and a few other items such as free hogs and sheep—

An hon. MEMBER: How many hogs went over to the United States last year?

Mr. TURRIFF: My hon. friend can give that information to the House if he sees fit. He is probably a great deal better posted in that respect than I am. I do not happen to know very much about hogs. We do not export many from the West and I am not familiar with the figures. But my hon. friends opposite, for some months past, have been heard saying to the people of the West: You do not need reciprocity now, you have practically got it because you can send your cattle over to the United States. Let me tell the Minister of Finance and every hon. gentleman opposite that this is very far from the truth. We have a free market for our cattle, and see what it means—a dollar a hundred at least on the price for every farmer in the West for his steers, but the artisans and the consumers in the cities are suffering on account of that. Under reciprocity corresponding advantages should occur, but under the present arrangement, while the farmer gets more for his cattle, the artisans in the cities who are working on half time are paying more for their beef, and they are not getting the fruit, vegetables or anything else that would have come in free under reciprocity to counteract the increased price they are paying for their beef. Under reciprocity a certain quantity of eggs, butter and other farm products would have come in. Why should we not get those things? We cannot get those things now from our neighbours without paying duty. They are coming in, as a matter of fact, and we are paying the duty. They always come in and they always will come in. Why not take off the duties and give the people a chance to get cheaper food?

Let me draw your attention, Mr. Speaker, to the question of oats; and this will be interesting, I am sure, to my hon. friends from the West who sit upon the other side of the House. The duty on oats going into the United States prior to the 6th October last was 12 cents a bushel. Practically no oats were then going into the United States. On the 6th October the duty was cut down to 6 cents a bushel. Shortly after that time I was up on the Manitoba and Northwestern line, at Saltcoats, Yorkton and other places, and while there I met several grain dealers and they told me that immediately the duty was lowered in the United States they had an influx of American buyers. Prior to the 6th October the price of oats at Saltcoats, Yorkton, and different points in that vicinity, was 22 cents a bushel at the elevator. The moment American buyers came in they advanced the price to 28 cents a bushel and then paid 6 cents duty. From the 6th October to the 31st December over 20,000,000 bushels of Canadian oats went into the United States and paid 6 cents a bushel duty. Thus $1,200,000 was taken out of the pockets of the western farmers that might have been left there if we had had reciprocity. With reference to flax and barley the condition is much worse. What we have now is not reciprocity. I heard one hon. gentleman on the other side of the House saying yesterday that they would be delighted to contest another election on the question of reciprocity. I want to say that he would not be half as delighted as we would be to contest an election on reciprocity.

Some hon. MEMBERS: Oh, oh.

Mr. TURRIFF: I would say: Welcome the day, welcome the hour, when the question is submitted again as it was last time, because then Laurier will return to power.

Mr. SCHAFFNER: Never.

Mr. TURRIFF: The hon. member for Souris (Mr. Schaffner) had better cinch that senatorship, because he had better not risk an election again in Souris.

Mr. SCHAFFNER: I will take my chance.

An hon. MEMBER: It will be a long one.

Mr. TURRIFF: My hon. friend will take his chance. Of course, he says he represents eighty-five per cent of the voters. I do not see how he does that on sixty-two of a majority, but that is his affair and not mine. My advice to the hon. gentleman is to get a sure grip on that senatorship, because then he will be in a much better position to explain to the farmers of the West why he voted against free wheat and against free implements. The hon. gentleman would be more comfortable with a seat in the red chamber than in an attempt to secure the votes of the farmers of Souris another time. Therefore, my advice to the hon. gentleman is to get a good, firm grip on that senatorship.

Mr. SCHAFFNER: I vote for a Government that has done ninety-five per cent of the things the farmers of the West have asked for since they came into power, when the late Government did absolutely nothing along that line.

Mr. TURRIFF: I may tell my hon. friend that every local Tory member in the province of Manitoba voted for free wheat, and I will also tell him that he cannot go into his constituency and get any farmers' organization to endorse what he says. Now, enough of free implements—

Mr. HENDERSON: I thought the hon. gentleman was getting sick of it.

Mr. TURRIFF: I have undertaken not to be too long, or I could give you a good deal more. I have it lying all around here. I want now to say a word upon the question of immigration. The Minister of Finance referred to it, but he did not tell you that during the year 1912-13, the first time for many years back, there was a greater emigration from Canada to the United States than there was immigration from the United States to Canada. More people went from Canada to the United States in the year 1912-13 than came into Canada from the United States. I can give my hon. friend the figures for the last five years:

Year.	From Canada to United States.	From United States to Canada.
1907-8	58,000	58,000
1908-9	84,000	59,000
1909-10	94,000	103,000
1910-11	105,000	121,000
1911-12	107,000	133,000
1912-13	143,000	139,000

In the year 1912-13 our hon. friends on the other side of the House were mismanaging things in Canada, and we very soon had a return to the old condition of affairs that existed when they went out of power in 1896. The result was that 143,000 people left Canada for the United States, while only 139,000 people came from the

United States to Canada. The results for the years 1913-14, for which we have not yet the figures, will be much worse, and for the year 1914-15, upon which we have just entered, they will be worse still. There is no question about that; you only have to keep your eyes open to see that.

The class of immigration coming into the country has changed also. In 1911-12 the immigrants from continental Europe represented 23.2 per cent of the total immigration, while in 1913-14 (11 months) the proportion was 35.2 per cent, or an increase of 12 per cent from continental Europe. In 1912-13 American immigration was 34.5 per cent, and in 1913-14 (11 months) it was 25.7 per cent, a reduction of between 8 and 9 per cent in the volume of American immigration.

So, you see that the defeat of reciprocity by hon. gentlemen opposite is bringing about these results, and it is going to be bad for the West. That is a matter that the Minister of Finance did not explain.

My hon. friend the Minister of Finance threw out as a sort of sop to the farmers the statement that this Government were going to devote their efforts to getting better rates to compensate them for not getting a greater reduction in duties on agricultural implements. At the same time the Minister of Finance knows that, since he came into power less than three years ago, it costs the western farmer from six to eight cents a bushel more to send his wheat from the West to the Liverpool market. If his efforts during the next three years are productive to the same extent as his efforts have been in the past three years, I do not think the western farmer will have very much to thank the Government for.

There is another thing that I would like to point out to my hon. friend the Minister of Finance. Suppose, Mr. Speaker, that the cotton manufacturers, we will say, came to my hon. friend the Minister of Finance and made this statement to him. Suppose the cotton manufacturers, or any other manufacturers, were to say to the Minister of Finance: We have been enjoying protection for a long time, but it is now more or less circumscribing our markets and we have come to the conclusion that the duty, which was put on in our favour, should be taken off forthwith, would not the Minister of Finance at once take off the duty on such articles ? Would he not reply: All right, surely the man who makes the goods ought to know whether he wants protection or not; I will put that article at once on the free list.

[Mr. Turriff.]

But now the wheat growers of Canada have come to the Finance Minister and to the Government, and they have said: We do not want the duty on wheat; we do not want protection on what we grow; we are satisfied to meet the world in open competition. And the reply of the Minister of Finance to the farmers is: You cannot be trusted to know what is good for you; we cannot give you what you ask; we will have first to consult the millers and the railways. So the Minister of Finance turns a deaf ear to the farmers, but he turns a mighty quick-hearing ear to the voice of the railway manager, and the voice of the manufacturer. Does the Minister of Finance think that the Canadian farmer cannot size up what is going on just as well as can the Canadian manufacturer ? If the hon. gentleman has any belief of that kind, he is entirely mistaken. I have dozens and scores of farmers in my constituency who can argue out public questions in a systematic and forcible and sensible manner; men who are the equals of any in this House, men who are much more competent to treat of public questions than I am, and such men the Minister of Finance cannot hoodwink. Make no mistake about it; the farmers of to-day are not what they were fifty years ago, and if their demands are not paid attention to by the Government in power, they will make it uncomfortable for those who deliberately set their requests aside, while at the same time they hasten to comply with the requests of the manufacturers and the railway companies.

The Minister of Finance told us that Canada was the second best customer the United States had, and that Canada only ranked fifth in selling goods to the United States. Why not equalize that; why not let us pay for in kind what we are now paying for in cash? Surely that would be to the advantage of everybody.

In connection with the cheapening of freight rates, to which my hon. friend has referred, I wish to say that in my judgment this present Government has deliberately and with malice aforethought degraded the Grand Trunk Pacific, at the instigation, or at least in the interests, of the Canadian Pacific railway.

Mr. SPEAKER: The hon. gentleman is out of order in imputing motives.

Mr. TURRIFF: If you say I am out of order, Mr. Speaker, I shall not question your ruling just now, but I certainly fail to see wherein I am out of order. However, I accept your view.

Mr. SPEAKER: The rule says it is not permissible to attribute improper motives to the Government or to members of the House. To say that a thing was done out of malice aforethought is not a proper expression.

Mr. TURRIFF: All right, Mr. Speaker; I withdraw those words. I would not like to say anything that is not in accordance with the rules of the House, but I will say this: that the Grand Trunk Pacific has been deliberately degraded by the Government, and that the only other company that can benefit by it is the Canadian Pacific railway, and the men who are to suffer by it are the western farmers, because the Grand Trunk Pacific, degraded as it is, cannot carry the products of the farmers as cheaply as if the road had been completed up to the standard originally intended.

There are other things I should have liked to refer to, such as lumber and cement, but the time at my disposal having expired, I hope to deal with them on another occasion. I trust that the next time the farmers of Canada come to see the Minister of Finance, they will get more consideration than they have obtained up to the present time, judging by the Budget speech delivered on Monday last by the Minister of Finance.

Mr. W. F. COCKSHUTT (Brantford): Mr. Speaker, I shall have occasion to refer to a few of the remarks of my hon. friend (Mr. Turriff) later on. The hon. gentleman assigned me an hour and a half to dispose of him, but I hope to be able to deal with his remarks in much less time than that. The Budget speech of the Minister of Finance (Hon. W. T. White) this year has been looked forward to with more than ordinary interest, and I think I may say, without flattery to the hon. minister, that he has more than fulfilled the expectations the people of Canada have of him. The air has been materially cleared by the pronouncement made by the hon. gentleman on financial matters, and in masterly style he has dealt with every phase of the commercial and financial life of our country. The question of our national finances has been ably dealt with by the Finance Minister and by the hon. member for St. Antoine (Mr. Ames), so that, in the time at my disposal, I shall endeavour to treat of other features of our financial and commercial life.

The clean-cut and well defined line which the Minister of Finance has drawn between the political parties in Canada, in reference to the protective tariff, will carry assurance to the minds of all Canadians, and in declaring that the Conservative party shall stand by Canadian industries, whether agricultural industries or manufacturing industries, the hon. gentleman has enunciated a policy in the best interests of the Dominion. When the policy announced by the Minister of Finance in his speech is fully understood, and when his speech has been read, as I believe it will be from end to end of the Dominion, his utterances will bring reassurance to the minds of those who may have been panic-stricken by the vagaries of hon. gentlemen opposite. The immediate outlook, as foreshadowed by the Minister of Finance, though not as good as it has been in some years, is still very encouraging. The country as a whole is sound; but we have, I am sorry to say, several legacies left over by the late Government that have imposed tremendous responsibility upon the people of Canada, and very onerous duties on the Minister of Finance to provide for them. I am safe in saying that no Government ever existed in the Dominion which left a greater legacy of debt and encumbrances than did the late Laurier Administration.

I regret that the hon. member for Pictou (Mr. Macdonald) is not in the House at the moment. He bewailed that a settled gloom was spreading over the Dominion of Canada. I think those were his words. Where are the good times gone, he bemoaned, that were in vogue during the Laurier regime? How is it that depression is spreading over the land and you cannot see a ray of sunshine anywhere? This, if it were true, would be a very great reflection upon the gentleman whom he supported in power for the past sixteen years. Let us ask for a moment what constitutes good times; what is the sum and substance of good times. Is it to pick up on the streets money that you have not earned? Is it to get a contract at twice as much as should be paid for it? Is it to have a cinch in supplying some Government department with goods that are not worth 50 cents on the dollar for what should be supplied? If such be the case, then certainly we have had good times during the past sixteen years, because at no other time has money been scattered about in the Dominion of Canada without

receiving returns for it in the way that it has been by the late Government. I am sorry to make so severe a statement as that, but I am speaking exactly what I believe as a business man when I say that there have been millions—it would almost startle me if I were to mention the figures, after hearing that $40,000,000 had been squandered in one enterprise—of the money of the country paid out, for what? For nothing that is a tangible asset to-day, and for nothing that can ever hope to earn a dividend for the people of Canada.

Take the railway that I have just mentioned, conceived, as I believe, in political jobbery and carried on with extravagance and political iniquity, so that to-day we are face to face with a report that says that upwards of $40,000,000 of the public money has been spent in that extravagant way. My right hon. friend the leader of the Opposition (Sir Wilfrid Laurier), a gentleman whom I respect very highly, stated that he admitted that mistakes might have been made, but that anything that had been misspent had been the result of a mistake. I only wish I could accept those words at their face value; but I am sorry to say, after looking into the report and after reviewing very carefully the course of my hon. friends opposite for the sixteen years they were in power, I cannot accept that statement at all. That railway, which was built as a monument to my right hon. friend and to the Dominion of Canada, was not a mistake according to his own judgment, in the first place. He went into it with his eyes open. Why do I say it was not a mistake? Let my right hon. friend refer for a moment to the speech of his then Minister of Railways, the Hon. A. G. Blair. Let him read that speech from beginning to end, and tell me whether or not he was warned that he was embarking upon an enterprise that was of the very worst character in every way, both political and national. What did the Hon. A. G. Blair say? He told these gentlemen that their figures were all false; that their $13,000,000 and their $61,000,000 were false. He said: I cannot support a proposition like that before my fellow members. I will resign my seat in the Government and step out rather than tell the people of Canada that a railway can be built for $13,000,000, or $61,000,000, that I know is going to cost $120,000,000. All credit to the Hon. A. G. Blair, who stepped out of the Government and said: I refuse to be a party to a Government that launches a scheme on the Dominion of Canada, knowing that it is going to cost five to ten times more than it was said it would, and that, in the building of it, takes none of the ordinary business precautions to see that a dollar's worth is got for a dollar. The whole thing from start to finish was carried on with the idea that, no matter how much money we put into it, the Grand Trunk Pacific has to pay 3 per cent on the cost and the country cannot lose. Thus they went on and spent that vast sum of money in an enterprise, a large part of which to-day hangs in the balance as to whether it will pay in the next fifteen to twenty-five years—in an enterprise vastly in advance of its time, vastly in advance of all the requirements of the eastern section of the country through which it runs, and according to the best information we have in railway circles, entirely unnecessary in so far as the section from Levis to Moncton is concerned, because it parallels a road that is already short of traffic. No wonder that good times, according to their measure, prevailed in the estimation of hon. gentlemen opposite. Can good times consist simply in making money rapidly, regardless of how it is made? Can good times consist in a party throwing money around to its friends without receiving value back in the interest of the country? If such can be done, certainly they had good times; but, as I understand good times, they are a very different matter.

Let hon. gentlemen opposite look back over their career and see some of the deeds they committed during those so-called good times. I think my hon. friends, if they review their whole course, will say: We did something more than make mistakes; we condoned offences that never should have been condoned. If there is one fault I have to lay to my right hon. friend the leader of the Opposition—and I am sorry to have to lay this charge against him—it is that he was too fond of power to punish the wrongdoer in his own party, and, on account of that, he was led into committing many offences against the public interest. That is a strong statement to make, but let me recall two or three of those mistakes. Let me refer to the North Atlantic Trading Company, a creation of my hon. friends opposite, which got from $300,000 to $500,000 from the people of this country with no value received. Let me refer to the cruise of the Neptune, which went up among the Esquimaux and converted some of the

heathen to the ways of the Laurier Government and spent some thousands of dollars of Government money in visiting the wilds of the North and brought back a tale of rascality the like of which was never before unravelled in the history of this country. Let me recall a similar matter, which shows a spirit that should never have entered this House—which took place only in the last Parliament, when Mr. Lanctot, the former member for Richelieu, painted his house at Sorel and fixed it up in good shape at the Government's expense. Small matter, you say; but often small matters show which way the wind blows. That was proved up to the hilt and admitted by himself, and his cheque was sent to cover it after he was caught, and not before. Good times for the hon. member for Richelieu; very good times. The lamentable part of it was that, instead of meting out to that hon. gentleman the punishment that was due, the Liberal party, headed by the right hon. gentleman opposite and supported by every man behind him, whitewashed this gentleman from head to foot and gave him a character to go free. Does that constitute a high ideal, either commercial or political, to set up before the people of Canada? I do not call that good times; I call that evil days. If there is one charge against my right hon. friend that stands out and that will stand out in the history of Canada, it is that, under the Laurier Government, political morality and commercial morality sank to the lowest ebb at which it has ever been since Confederation. If hon. gentlemen on this side will take warning by what has happened on the other, we shall be glad; but if we should harden our hearts and run astray, as hon. gentlemen opposite did, for my part I hope I shall be lashed rather than sit in this House and vote through such rascalities as those I have mentioned in order that we may stay in power.

Mr. PROULX: Did you vote for the Prince Albert deal?

Mr. COCKSHUTT: I never heard of any Prince Albert deal.

Mr. PROULX: The Prince Albert land deal.

Mr. COCKSHUTT: No Prince Albert land deal has ever come before the House so far as I know. With regard to land deals, I may say that mighty little land was left to deal in after my hon. friends went out of power. If my hon. friend had applied to the hon. member for Assiniboia (Mr. Turriff) the remark which he has made, he might have obtained some information on the point; the hon. member for Assiniboia could tell him a thing or two about land deals. The Saskatchewan Valley Land Company and other such matters are still fresh in the public memory. Although I have mentioned a few scandals, I have touched only the fringe of them, as the hon. member for Assiniboia knows full well, though he was so busy with implements that he did not have time to touch upon the land deals of the late Government. I should think that my hon. friend, in talking so much about implements and advocating their free importation into this country, should have had in mind the one implement that his party imported in connection with the deal of which I have spoken. Our Finance Minister has had to pay $12,000,000 for that implement already. Land deals certainly came on thick and fast during the time the late Administration held office.

I have mentioned this in order to draw to the attention of the people to the difference between the two parties in this respect. So far as the practical work of the country is concerned, this Government has been in power about three years. We are nearing the end of the third session of Parliament. We have the financial statements; we know what the Government has done in the matter of expenditure. Have any hon. gentlemen opposite charged that even $100 has been wrongfully taken from the treasury since 1911 by the powers that be? If they have, I have not heard anything about it. This is the great difference between the two parties of the day, and I trust that the Finance Minister, in whose honour I have the highest confidence, will continue the same straight course that has been pursued in the two and a half years during which this Government has been in power.

Let me give our friends opposite a piece of history. It is not always pleasing to Conservatives to remember this, but I think it will help to bring out the point I am making. Between the years 1872 and 1874 we had what was called the Pacific scandal, in which Sir John A. Macdonald, probably the greatest statesman Canada has ever seen, was the central figure. It was charged that he received a subscription of $25,000 from Sir Hugh Allan in order that he might hand the contract for this railway over to him. In the year 1874 the Sir John A. Macdonald Government was condemned and punished by the people of Canada—turned out of office and relegated

to opposition—on account of one small scandal; but during the sixteen years that followed, from 1896 to 1911, we had not one but over one hundred scandals, the amounts expended in connection with which would run into millions of dollars. In spite of all those scandals, that Government remained in power for sixteen years, handing out the people's money, as I contend, wrongfully, and without receiving one hundred cents on the dollar for it. That is the difference that has existed up to the present time between the powers that were and the powers that be. May this Government continue to run just as straight a course as it has run in the past. I have the privilege of knowing something about the expenditures that have been made. I am glad to say that in the city from which I come we are getting a public building. It was a long-felt want; we could not get the building under the old regime. That building is now nearing completion, and I venture to say that so far as outlay on that structure is concerned—and it is costing a quarter of a million dollars—close investigation would not reveal the misappropriation of even a ten-dollar bill. I have had to come to the department in connection with the matter, and the whole procedure has been as straight as a string. As I have said, I hope this will continue, because as a humble member of this House I do not want to get up and vote that black is white in order to save the Government from defeat. In the early years of the Administration of hon. gentlemen opposite they had a good record, but, as soon as they thought it became necessary, they departed from the paths of political truth and commercial honour, and they went out of power rather than give the people one hundred cents on the dollar for the money they were expending.

I have dealt very briefly—perhaps my hon. friends may think somewhat harshly, but I have done it in all kindness—with the administration of affairs under the late Government. If my hon. friends opposite ever get in power again I trust that if another transcontinental railway is to be built, the contracts will be let in a more business-like manner and that one hundred cents on the dollar will be obtained for the people's money. If my hon. friend lives one hundred years—and I think he will have to live that long before he gets into power again—I trust that what he calls mistakes, but what I am afraid were committed with open eyes, will not be repeated. I think that I would not be forgiven if I did not deal with some matters pertaining to the great question that appears to be agitating the hon. member for Assiniboia and others of his kind, with regard to protection and free trade and tariff changes. My most estimable friend the hon. member for Red Deer (Mr. Michael Clark) is not in his place. I dearly love to have the hon. member for Red Deer present when I am giving my views with regard to protection, because we agree so beautifully on theory that his absence takes the edge off my remarks to a certain extent. Personally we are the very best of friends, and I admire him as a good parliamentary debater and a man who presents his case with great skill. But if he could only present protection with the same skill that he presents free trade, he would be making a better hit with the House and the country. Recently the hon. member for Red Deer delivered an address before the Canadian Club in the city of Ottawa—an address worthy of passing attention. I read it over—not, I admit, with as much care as I might have done, because I am very familiar with his arguments—and I must say that he made a very rosy presentation of his case. Unfortunately, however, for him, and unfortunately for any gentleman who holds similar views, the principles expounded by my hon. friend do not seem to pan out when the facts are closely examined. I am very much averse to reading the remarks of others, and I do not often do so; I would rather at any time speak than read. But I have here an address delivered, not by the hon. member for Red Deer but by an English member of Parliament, one of the brightest young men in the British House of Commons, with whom I have the pleasure of a personal acquaintance, Mr. H. Page Croft, and published in no less a paper than the Manchester Weekly Times, of February 21 last. It is a peculiar thing that it should be published in the centre of the free trade school. This speech was delivered in the House of Commons in Great Britain about the time that my hon. friend from Red Deer made his brilliant speech before the Canadian Club. I want some of you to listen, and observe how far the hon. member for Red Deer, who does not know, and Mr. Page Croft, who does know, are from agreeing upon the question of free trade or protection so far as Great Britain is concerned. Mr. Page Croft says:

> The president of the Board of Trade last session gave me figures showing that our exports during the previous year were actually beaten by the United States, and that Ger-

many was very near behind us. It is admitted by the Attorney General that we cannot for all time hope to keep ahead of our two principal protected rivals because their population is so great, and he says the only real test is the test of exports per head of population.

I have taken the trouble to inquire into the actual facts with regard to exports per head of population, and I should like to give the leading countries. Holland, I find, heads the list with £34 10s., Belgium comes next with £18 2s., New Zealand £17 15s., Australia £15 2s., Switzerland £12 16s., and then comes the United Kingdom with £9 9s. I think that proves pretty conclusively that if you are going to take that test, at least it has helped protected countries to a greater extent than it has helped this country.

But what is of far more importance than foreign trade is the internal trade of our country, and I think, from the business point of view, I can put a case before the hon. members opposite which will even satisfy the hon. gentleman (Sir A. Mond) to prove how very much more serious is our position in this connection. I think it will be generally admitted that coal consumption is a very good test of industrial activity, and I find in the last completed year, for which returns are to be found, that Germany consumed thirty-two million more tons of coal than this country, and the United States, three hundred million tons more. If we go on from coal to the production of pig-iron, we find that Germany in 1912 produced twice as much as this country, and the United States nearly three times as much, and if you take the consumption of pig-iron, Germany consumes twice as much, and the United States three times as much.

If you take crude steel, Germany produces two and a half times as much, and the United States five times as much as this country; and if I might be permitted even to mention the word 'cotton,' the United States now consumes two hundred and ten million more bales of raw cotton than are consumed in the great industry of this country under free trade. Therefore, I think it can be accepted that in foreign trade and in internal trade combined, we are defeated by our principal protected rivals.

Then I come to the second point, with regard to the suggestion that tariffs restrict trade. In exports and in imports our protected rivals are increasing their trade more rapidly than we are in this country, and if I might take the most important test, I will take manufactured exports for the last thirty years, and we find that we in this country have not doubled our export of manufactures within something like thirty years, but Germany has multiplied hers by three times, and the United States by seven times, which, I think, proves pretty conclusively that as far as foreign trade exports of manufactured goods are concerned, we are not holding our own, and far from restricting trade our protected rivals have gone ahead very much more rapidly than we have.

If I might take the same test with regard to the increase of internal trade, the facts are still more remarkable. In coal consumed, taking the period commencing with the average for the five years from 1880-85 up to the last completed year 1912, we find that Germany has increased twice as quickly as ourselves, and the United States eight times as much. In pig-iron production, Germany has increased nine times as rapidly as ourselves, and the United States thirteen times as rapidly.

In the consumption of pig-iron, Germany's increase is six times, and the United States twelve times as great as ourselves. In crude steel Germany's increase is three and a half times as great, and the United States six and a half times as great, and in the consumption of raw cotton, the continent has increased three times, and the United States two and a half times as rapidly as this country.

I maintain that these are facts which we cannot get away from, and that if there is any fairness in the test of exports per head of population as the test of a country's prosperity, I ask the Attorney General whether it is not an equally fair test to take production per head of population in a comparison of this kind, if you are going to decide the merits of the respective systems. If that test is taken, I think the Attorney General will discover, if I may use an Americanism, that we have been beaten to a frazzle by our principal protected rivals in these great index trades. I am not satisfied, and I think none of my friends are satisfied, with the present condition of the trade of this country compared with other countries under the circumstances.

Our opponents tell us that we are having a boom in world trade, as if this country, and their own particular efforts, were responsible for this boom. I would remind them that we got the results of that world boom last, after the great protected nations, and, in addition to that, we have not shared in that boom to so great an extent as Germany and the United States of America. But, apart from that, dare any one, in any quarter of the House, say that the conditions of the working classes in this country at present are satisfactory even under the world boom of trade?

What are the actual facts? Last year, at a moderate estimate, half a million were permanently out of employment, a million people in our country were in receipt of relief, in this, the boom-time of trade, and the Labour Exchanges last year, as we were informed to-day, had no fewer than 2,973,000 applications for work.

Perhaps hon. members may suggest that one or two of these applicants went two or three times to the Labour Exchanges, and, though I did not ask the question, the president of the Board of Trade informed me that there were 1,800,000 individual applications at Labour Exchanges during this last year on the crest of the world boom. Simultaneously in the same year our emigration reached the record figure of 302,000, all of whom went to protected countries to improve their condition, and simultaneously we find that there was greater industrial unrest last year and the year before than has ever been known in this country.

If I might summarize the effect of the sunshine that the Chancellor of the Exchequer and his colleagues have brought into the cottage homes of this country, one in every twenty-five of our inhabitants have been forced to emigrate to other countries since 1906, when the Government came into power. Our answer to this is that tariff reformers are deliberately out for higher wages. We are not satisfied with the condition of this country, and we say that all the policies of the party opposite put together cannot do so much as a reasonable scientific

tariff can for the creation of labour in this country.

Our opponents tell us that we cannot provide wages and at the same time provide the revenue under our tariff scheme, but we cannot have it both ways. I say we can have it both ways. We have been told by eminent free traders that under the tariff reform system, with a 10 per cent tariff, something like one-half of the manufactured goods which at present come from abroad would be excluded. The total at present is £160,000,000 of foreign manufactured goods coming into this country, and according to eminent free traders, we shall only exclude £80,000,000.

5 p.m.

That is not my figure. I am taking the worst case that can be made against us. That would mean £8,000,000 of revenue on manufactured goods alone, apart from the duties on luxuries, such as diamonds and pearls, and the other £80,000,000 of goods which are now imported would be manufactured in this country. If these manufactured goods which come from abroad are going to be kept out, obviously they are going to be manufactured at home. Under that system you are still going to have 10 per cent for local and imperial taxation on the production of goods in this country, so that you get £8,000,000 in that way too.

I put it to the House that we would raise £16,000,000 in revenue for the relief of local and imperial taxation, while also keeping out the goods of foreign competitors. That would mean £80,000,000 worth more production in this country than before. I do not think that any free trader will deny that we will get £8,000,000 of revenue on imports. (An hon. member indicated dissent.) I must give the hon. member for East Northamptonshire (Mr. Chiozza Money) credit for greater knowledge on this subject than the hon. member who interrupts me. In the South Wales News for December 12 he is reported to have said that it is no answer to the tariff reform argument to say that we cannot get revenue from protective duties. The hon. member added that we can easily find £13,000,000. I think that will prove that I have been exceptionally modest in accepting the lower estimate of our opponents in saying that a revenue of £8,000,000 is what we would get. You would manufacture £80,000,000 worth more than you do at present, and £40,000,000 would be spent in wages for the workers in this country. We shall have £40,000,000 more circulating among traders, agriculturists, and all the various industries and professions of this country.

My final point is with regard to labour. I am sorry that there are not more members of the labour party present. They do not seem to take a very real interest in this question—at any rate, so great an interest as it would seem to deserve. I would ask the members of the labour party how can wages advance? They can only advance if you create greater demands for labour, and make labour more valuable. I venture to think that if more of the manufactured goods which are consumed in this country were manufactured here, you would immediately create these demands. There would be more jobs to apply for, and the value of labour would go up in this country. The point we have to consider is the wages in this country.

If anybody had taken the trouble to say that the single tax was no longer an issue, I think the hon. member for Hanley would have great cause for complaint. I think people have no right to carry that argument any further in the constituencies. What we do ask for is what Mr. Deakin and Dr. Jameson asked for at the last Imperial Conference. We ask an immediate preference on all existing food taxes to be allowed in their favour. We ask that you should establish the same principle for imperial tea, coffee and sugar as you wisely apply to the beet-sugar industry.

It may be suggested that under the preference you may not be giving a great advantage, but if the advantage be small, it is the great sentiment we want to see established in reciprocating the action of the dominions overseas. Let us show that the spirit is willing, and that we desire to deal with the dominions overseas as they are dealing with us. We are told from time to time that our policy is a sordid one. Is it sordid to try to create greater industrial activity for the people at home?

Is it sordid to encourage 400 millions of subjects to trade together and to develop British trade under our own flag? That is no sordid policy. It is an extraordinary thing that already all the self-governing dominions have established the sordid policy, and that the present Government have taken good care to see that we should be enslaved in the same sordid bonds with the West Indies as to any advantage they may give to the other dominions.

What is the result? The dominions have come to us and made a tremendous sacrifice of revenue, the result is that we have seen an enormous expansion of trade with the dominions in the last two years. We are always told that we may make Germany angry, or that we may upset the Chinaman.

Our best customers are the dominions overseas. Australia has bought more manufactures from us than the people of Germany. Canada has bought more than France. New Zealand has bought more than Belgium. South Africa has bought more than Russia and Switzerland put together. I venture to think that when we realize these facts, and that even in boom times we should have been having great distress for the reason I have indicated, we shall see that it is time to reciprocate their great gifts and try to do something for the dominions overseas.

We should try to create a greater demand for labour at home. We should try to see that all the work is given to our own workers in this country which they can properly undertake. We should try to give to our own kith and kin who are emigrating from this country the advantages which we are giving to foreigners who are competing against us.

We should trade with those who build dreadnoughts for us, and not give a preference to those who build dreadnoughts against us. That is no sordid policy. No one can deny that they are patriotic principles. If they are patriotic, then I say that distortion and abuse should not be cast against our policy. Is it not time that these questions should be considered as greater than party, and that those who really love their country should show their love of it by organizing trade in the way other countries have done.

I have read enough to show that, while the hon. member for Red Deer holds up to

[Mr. Cockshutt.]

the Dominion of Canada this great free trade country as an ideal to follow, a gentleman who is better posted than the hon. member for Red Deer delivers a speech in the British House in which he says: they are going to have tariff reform. And I venture to say to the hon. member for Red Deer that there is a great deal more chance of protection being introduced into Great Britain than there is of free trade being introduced into the Dominion of Canada. Let him look at the wage list over in England. Even on the railways, the highest paid class in the whole of Great Britain to-day, with their engineers and other highly skilled men, the average wage barely reaches $7 a week on an employment of half a million men. In Canada the average wage upon the railways is $10.50 to $10.75 a week, a difference of nearly fifty per cent in favour of Canada. Take the conditions all along the line. My hon. friend talks glibly about the high cost of living and the reduction of cost to the consumers. Who are the consumers? We are all consumers in this country.

Sir WILFRID LAURIER: Hear, hear.

Mr. COCKSHUTT: And if hon. gentlemen opposite would consume a little more sense and give it to the people it would be a good thing.

Sir WILFRID LAURIER: Give us the food and we will consume it.

Mr. CARROLL: Has the hon. gentleman gone into the matter of the relative cost of living in Canada and Great Britain?

Mr. COCKSHUTT: I can tell my hon. friend that a British commission was sent out to this side to study conditions, particularly in the United States—and conditions are better in Canada to-day than they are in the United States. This commission reported that there was a very large margin in favour of the American working-man as compared with the British working-man, not only as regards wages, but with regard to the cost of living. Does my hon. friend know that meat rarely appears on the table of the British workingmen? On the continent it is almost an unknown article. Horseflesh occasionally gets on the tables, but never a good piece of beef. My hon. friend must know that we in Canada to-day are living in clover as compared with other countries, and that our working-men are paid as well, if not better, than any other working-men in the world, and they would be contented if such agitators as appear occasionally on the other side of the House would only leave them alone.

My hon. friend from Assiniboia (Mr. Turriff) was so anxious to prove his case that he quoted an article on one side and then killed it on the other side before he got through. Let me point out what he said—and I will deal with this a little more fully later on. He says the Cockshutt Plow Company pays the duty when they ship ploughs into the United States, and that they sell their goods cheaper there than they do in Canada. Who pays the duty on ploughs coming into Canada? My hon. friend blows hot and cold. When the manufacturer ships goods from this country he pays the duty, but when the American manufacturer ships implements here the Canadian farmer pays the duty.

Mr. TURRIFF: If my hon. friend understood me to say that—

Mr. COCKSHUTT: You certainly did.

Mr. TURRIFF: If I said that, I did not express what I had in mind. What I meant to say was that the Cockshutt Plow Company could sell their goods so cheaply in the United States that the consumer in the United States purchased them even although he had to pay a duty of 15 per cent on the implements and 45 per cent on repairs. I did not intend to say that the Cockshutt Plow Company paid the duty.

Mr. COCKSHUTT: Did the American farmers pay the duty?

Mr. TURRIFF: Yes. That is what I intended to say.

Mr. COCKSHUTT: My hon. friend knows to what place good intentions pave the way. If my hon. friend had only carried out his intentions he would have omitted a lot of stuff that he has put on 'Hansard,' which will rise in judgment and condemn him in this generation. That is only one illustration, and I could quote several more. He did the very same thing in regard to wheat. It is not a mistake on his part; he goes into it with his eyes open. He says the western farmer pays the duty on the wheat that he sends to the United States, and then he turns round and tells us that it is the consumer in this country who pays the duty. My hon. friend had better decide where he is at before he speaks on these questions. He cannot make the consumer on the one hand and the exporter on the other pay the duty just as it suits his case.

Mr. TURRIFF: The farmer understands it.

Mr. COCKSHUTT: The farmers will never be caught with such claptrap as that. The trouble with my hon. friend—he has quite a number of troubles—is that he cannot see beyond Weyburn. They have a bank there, he told us a good many times last year. No doubt it is a very respectable place, but if my hon. friend is ever going to be a statesman—of which I have my doubts—he should take a little wider view than the immediate surroundings of Weyburn. He has given us a policy very much in line with that of my hon. friend from Moosejaw (Mr. Knowles), who I regret is not in the House, because I wanted to pay him a similar compliment. The hon. member for Moosejaw led our friends opposite into one of the worst holes they have ever been in, and which they would be glad to be extricated from to-day. My hon. friend from South Wellington (Mr. Guthrie)—I do not see him now; soon after I got up he retired to a back seat, and now he has disappeared altogether—

Mr. CARROLL: We are all afraid of you.

Mr. COCKSHUTT: I would not say that; as he is a very brave man. But I may tell my hon. friend this: The member for St. Antoine (Mr. Ames) at Brantford the other evening gave a lecture on the navy, which I may say was quite a brilliant affair. And in order that the crowd might not all go to hear the hon. member for St. Antoine, the hon. member for South Wellington (Mr. Guthrie) was billed to address a Liberal meeting the same night. It so happened that between the time the Liberal meeting was advertised and the time of meeting hon. gentlemen opposite brought out their 7-by-9 policy with regard to agricultural implements, upon which the hon. member for South Wellington made a speech. Knowing that he dare not appear after that speech in the city of Brantford, even to address a Liberal meeting, the hon. member for South Wellington did not turn up, and he dare not go there to-day. One of the leading Liberals in the city of Brantford told me that if the hon. member had come to Brantford that night things would have been pretty hot for him. I guess the hon. member for South Wellington knew what was coming to him, and thought that discretion was the better part of valour.

Hon. gentlemen opposite certainly have put themselves in a position from which they cannot very easily extricate themselves. It is very easy to attack a protective tariff, but it is not so easy to design a substitute for it, and hon. gentlemen opposite have entirely failed to propose anything which would take its place. The hon. member for Assiniboia (Mr. Turriff) cannot see beyond Weyburn, and in his speech of an hour and a half or two hours' duration, he did not give one single moment of consideration to the position of the farmers of Ontario, or the farmers of Quebec, or the farmers of the Maritime provinces, though they are greater in numbers than are the farmers of the West. Let me tell my hon. friend that the farmers of eastern Canada do some farming and grow some wheat, and I assure him that if he goes among the wheat-growing farmers of Ontario and preaches such heterodoxy as he has preached in this House, he will get the same kind of reception as the hon. member for South Wellington would get in Brantford. Let me tell the hon. member a thing or two: the farmers of Ontario grow yearly twenty million bushels of wheat, and they were in the business long before the hon. member for Assiniboia was. They have been growing wheat in Ontario for a hundred years, and they think they know how to grow wheat, and I venture to say the Ontario farmers will not subscribe to the request of the hon. member to have free wheat. The Ontario farmers know they have a mighty good market for their wheat at home, and they want to keep that home market. They know that they will have their bran and their shorts and the other by-products of the flour mills to feed all the stock they can raise, instead of sending it over to the United States. In these times when meat is getting dearer and dearer, the secret of a reduction in the high cost of living is to bring up all the young stock the farmers can, and instead of killing calves and young animals when only a few weeks old, raising them to be heavy animals. If the policy of the hon. member were carried out, our wheat and its by-products would go to the other side of the line, and the farmers of Canada would have no feed left for their live stock. But the United States is overburdened with wheat now; they produced millions and millions of bushels for export last year. They do not want our wheat; they have got far more than they want for themselves. The hon. gentleman has not a word to say for the 175,000 or 200,000 farmers of Ontario, many of whom are growing wheat

every year, on an average throughout the province of from twenty to twenty-five bushels to the acre. That wheat is all used at home, being mixed with the hard wheat of the prairie provinces, and the result is that there are 350 millers in the province of Ontario, 270 of whom are upon the shipping or export list. The hon. member (Mr. Turriff) with one fell swoop would wipe all these out of business, and he would deprive the Ontario farmers of the opportunity to get their wheat ground at these mills and to bring the bran and the shorts back to feed the animals on the farm. The hon. member should remember that the farmers of Ontario, Quebec and the Maritime provinces are doing some farming, and indeed I venture to say that the farming organization of which he boasts so much does not represent twenty per cent. of the farmers of Canada. I do not believe the hon. gentleman himself believes they do; if he does, he has not conveyed that impression by his remarks. I say that the farmers of Ontario, Quebec, and the Maritime provinces are well satisfied, and that there are no people in Canada to-day better off than the farmers of Canada, taken as a whole. In the county of Brant, from which I am proud to come, I never knew our farmers to be in a better position than they are at the present moment. I can assure the hon. member that they are well content with all the conditions that now prevail. When the hon. member comes here and talks about the grievances of the farmer, I can tell him that the farmer has not nearly as many grievances as he would lead us to suppose. I have sympathy with the farmers; I have a large number of them in my own riding; I frequently address them, and I do not have to talk any differently to the farmer than to any other Canadian. The farmer knows the value of the home market; he knows that his eggs are fetching three times the price they used to; he knows that his butter, his potatoes, his vegetables, everything he grows are bringing good prices in the markets of Brantford and the surrounding cities where manufacturing is carried on. The farmer knows he never got better prices for his products than he does to-day, and he is very well content.

My hon. friend (Mr. Turriff) had a good deal to say about the high cost of living; but I do not think he is very sincere when he wants to send the wheat out of the country that the people of Canada have to live on. I should judge from his remarks that he thinks the export of wheat to the United States would raise the price in Canada, or else the hon. gentleman would not want it. If he has the sympathy he says he has for the consumers of Canada, why does he not let the wheat remain at home to feed our own people, a little cheaper. The working-men of Canada have a big problem before them to-day, and I sympathize with the working-men, and I would be only too glad if we could raise their wages still higher. But I tell hon. gentlemen opposite that if they pursue the course in which they have set out, and pull down our industries instead of building them up, it will not be long before they have reason to regret their conduct. To say, that because a manufacturing concern is fairly progressive and is producing goods creditable in price and quality, the protection afforded it should be removed, is simply absurd. Surely hon. gentlemen opposite cannot advocate such a policy, and yet that is what their words mean. I entirely dissent from the view, that when an industry gets to a position in which it can export to foreign countries, that is a sure sign that it has got protection which it does not need. If that doctrine were sound, then almost every item of food products and manufactures would be put upon the free list, because there are comparatively few of our agricultural products and of our manufactured articles in which there is not a little export. It is a strange doctrine that because a business has built up an export trade to a foreign country, it should have the duties upon its products cut down.

My hon. friend (Mr. Turriff) returned three times to the attack upon implements; he got wound up; and he ran down, and he took a little rest, and he came back again three times to attack agricultural implements. As one who knows a little about implements, let me tell him that there are no manufacturers in the Dominion who have shown greater enterprise, and who have got their manufacturing up to so high a standard, as have the agricultural implement manufacturers. I am not saying this because I have an interest in the business; I am, as is well known, of the same name as a firm which is interested in the manufacture of implements, but I have no connection with that firm further than that I am an humble shareholder. I have some knowledge of what is done in the implement trade, more knowledge I think than the hon. member for Assiniboia has, and I challenge his figures right here and now as to the cost of implements. He

indulged in the old game of quoting the wholesale price on one side, and the highest retail price on the other; and the cash price of one side and the credit price on the other, and so he got all astray in his figures. I understood him to say—he can correct me if I am wrong—that in some cases fifty per cent or sixty per cent was demanded in the Dominion of Canada over the prices which prevailed in the United States. Did the hon. member say that?

Mr. TURRIFF: And some of the grass seed attachments.

Mr. COCKSHUTT: I have never known any political economists to contend that the price of an article could be raised above the amount of tariff exacted, that is, the whole duty, which is twenty per cent on some articles and fifteen per cent or seventeen and one-half per cent on others. Prices could not posssibly be more than the duty in advance of the prices in the United States, because the manufacturers there would immediately send their implements over the border. I have here an immense list of articles that have been imported into Canada. This list, which is from the Department of Customs, is entirely authentic. The imports of agricultural implements under the existing duties, which are, as I say, from seventeen and one-half per cent to twenty per cent, are as follows: in 1911, $4,510,000; in 1912, $4,221,000; in 1913, $4,440,000; for nine months in 1913, $2,658,000. If you take the whole line of articles which I understood were included in the argument of the hon. member for Moosejaw (Mr. Knowles) in his resolution the other day, and which embrace engines and threshing machines and all the larger items, then we have the following, which is very much more: in 1911, $4,887,000; in 1912, $8,237,000; in 1913, $10,104,000, under the tariff of from fifteen per cent to twenty per cent. If $10,000,000 worth could come in in 1913, under the tariff of from fifteen to twenty per cent what would be the result if they were put on the free list, and all that vast amount of agricultural implements brought into Canada free of duty? It would mean that all the capital invested in that business in Canada would be wiped out; that over fifty manufacturing concerns employing from $45,000,000 to $50,000,000 of capital, 10,000 hands and supporting 45,000 to 50,000 dependents, would be wiped out at the behest of my hon. friend. He says he is a strong friend of the manufacturers. Well, if he will trust the manufacturers to look after themselves and not take them under his wing, we will feel a little more comfortable.

Mr. CARROLL: Has the hon. member figures to contradict those supplied by the hon. member for Assiniboia as to the prices in Winnipeg and Minneapolis?

Mr. COCKSHUTT: I am only making the bald statement that, on the face of it, his information is false, for the reason that the prices could not be advanced by more than the amount of the duty. No tariff could advance the prices of goods beyond the amount of the duty that is exacted. When my hon. friend quotes a sixty per cent advance, he must know that he is not speaking by the book. I think my hon. friend must realize that, and I do not think he will get any farmer to believe that the price of implements is fifty to sixty per cent higher in Canada than in the United States.

Mr. TURRIFF: I was quoting the figures given by the Grain Growers' Guide. The Grain Growers' Guide will prove to my hon. friend that they are right and he is wrong.

Mr. COCKSHUTT: If my hon. friend's contention is true, supposing he knocked off 20 per cent from his 50 to 60 per cent, he would still be getting 30 to 40 per cent more in Canada than in the United States. In other words, if you remove the amount of duty, you have a vast difference of 30 to 40 per cent, according to my hon. friend. Anybody can see at a glance that those figures cannot be correct, and that wholesale prices must have been taken as against retail.

My hon. friend has made an accusation against the firm carrying my own name. Although I dislike to refer to a matter that is so personal, I feel that I cannot allow his statement to go unchallenged. According to 'Hansard' of last night, he makes the following statement, referring to myself:

The hon. gentleman could sell a Cockshutt plough in the United States, years ago, and pay a 15 per cent duty—

You notice that he says we pay the duty.

—and 45 per cent duty on the repairs, and undersell, or compete to the extent of selling trainloads in the United States.

That sounds very fine. I wonder if my hon. friend thinks that is correct. The United States duties on agricultural implements during the last few months have been entirely removed. I have yet to learn of one plough having gone across the line, either our own or any other make. Just the other day I asked a leading implement

dealer, who knows more about such matters than I do, and he stated that, even with the removal of the duty, he does not think that an agricultural implement has gone from Canada into the United States. My hon. friend has rather tantalized me to give him a little bit of history with regard to a shipment of ploughs once to the United States. Let me tell him how his friends the Americans will treat him if he ever gets into their hands, because we know with regret that when we deal with Uncle Sam we have to go in with a coat of mail and with shining armour if we are to come out again with a whole skin. What happened to the train-load of Cockshutt ploughs to which my hon. friend referred? They were seized at the border, condemned for under-valuation, dragged through the courts and fined thousands of dollars, although those ploughs were entered at a higher price in the United States than American concerns were entering their ploughs at in the city of Winnipeg. My hon. friends want to place the farmers in the same position. What has happened with regard to potatoes? We send the potatoes across the border. As soon as we begin to get a market the Americans say that our potatoes are diseased, not fit to mix with American potatoes of high standard. They are condemned because they are diseased. Ship your cattle over the border and, as soon as you begin to get a market established, quarantine and the tuberculosis test will do the trick. My hon. friend would not be sending his wheat into the United States for more than a month or two before the Americans would find smut in it, or that it was not properly classified, and I will defy my hon. friend to go into the United States and get a clean deal on his wheat. The whole history of trade with the United States from start to finish is that, when it comes to carrying out their side of a commercial bargain, they do not do it aright. They have not learned the principle of British fair play and honesty. I am sorry to have to say that, but I can speak feelingly. If my hon. friend tries it with his wheat, he will fare the same as others have done with potatoes and agricultural implements and fish in cans. The fish go in free, but they catch you on the cans.

When my hon. friend the Minister of Finance said that he did not believe in interlocking legislation, he struck a true chord that will find a responsive ring throughout the Dominion of Canada from every business man. These hon. gentlemen would hand us over, body and soul, to the United States; they would interlock our tariff with that of the United States; they would let Washington dictate the interpretation of the tariff, and we would be hunted in the United States and dragged from court to court for interpretations on this, that and the other thing. My hon. friend knows that that has been the history of trading with the American people from away back. Even when it comes to carrying out financial obligations, we find that they are very slow to do so. We hope to have a fair settlement in regard to the Panama canal tolls, but it is taking a great deal of backbone on the part of Mr. Woodrow Wilson, the President of the United States; and if he succeeds in that, he will put a plume into the American flag that has not been there for some years.

Mr. TURRIFF: How does it happen, if the Americans treat the Canadians so badly in all commercial deals, that Canada does about sixty per cent of her whole trade with those same Americans?

Mr. COCKSHUTT: I can tell my hon. friend that very easily. They are always very ready to sell to you, but they are never ready to buy from you. If my hon. friend knows anything about the returns, he knows that for every dollar we sell to the United States they sell from three to four dollars to us. It is an easy thing to buy; and my hon. friend and some of his friends opposite have the idea that the more you buy the better off you are; the more you buy abroad, the better the country is. I have heard several hon. gentlemen opposite preach that doctrine; they do not take any stock in the balance of trade. A man that buys more than he sells will soon go into bankruptcy; but my hon. friend would let us go on buying four or five times as much from the United States as we sell to them, and say: What a trade we have with the United States! My hon. friend knows that his best market is in Great Britain. The people of Great Britain can yet take his wheat; they are the only people in the world who are taking more from us than they are sending to us.

Mr. LEMIEUX: What about our cattle?

Mr. COCKSHUTT: I do not think we have many cattle to send over there at this time. Our meat would probably bring a

very good price in Great Britain, but judging from the prices now prevailing in the home market, I think every one will agree that we should keep most of our cattle at home to feed our own people. The home market which our hon. friends opposite so often pooh-pooh is really the only good market in which to make money. If my hon. friends would remember that about 80 per cent, of the farm products of Canada are bought at high prices by the citizens of Canada and consumed in the home market, they would realize that the home market is well worth preserving. To those who think that the United States is such a fine market for implements, I may say that they can have that 90,000,000 market for ten cents, so far as I am concerned.

An hon. MEMBER: What about cheese?

Mr. COCKSHUTT: If I remember correctly, from 80 to 90 per cent of our cheese product goes to Great Britain—and they know good cheese when they see it. Canada is producing good cheese, and the result is that it goes over the water. If my hon. friend will think over this matter before he comes down next year I think he will come to the conclusion that the policy which he enunciated to-day is not the right one. The right hon. the leader of the Opposition has said: 'the policy that I give you at this moment is free implements and free food'—and you can change it the next moment if you do not like it. I would advise my hon. friend to change it the next moment, because he can get a better policy. A policy for the moment is no good, no matter what it embraces. We want a policy that will remain for years; we want a policy in which capital will have faith—a policy in which capital will embark itself. If hon. gentlemen opposite are going to put down an industry as soon as it commences to grow, then they are going to ruin all confidence in Canada and in Canadian enterprise. The attitude taken by the hon. member for Assiniboia, the hon. member for Humboldt, and the hon. member for Moosejaw, is like the Irishman who was asked to help a policeman disperse a gang of lawbreakers. The Irishman said: What shall I do? The policeman gave him a shillalah and these instructions: Wherever you see a head, whack it. That is what my hon. friend proposes to do; whenever he sees an industry thrusting its head above water, he says: Whack it; down with it. The hon. member for Moosejaw said that if an industry were hanging on by the skin of its teeth—whatever that meant—he would not mind letting it stay. Is that not a fine policy? My hon. friends let a few industries hang on by the skin of their teeth, but whenever they changed the National Policy, they did the wrong thing. Let me refer them to binder twine. They put it on the free list and killed almost every factory in Canada. I have a small extract here from a western paper, which the hon. member for Assiniboia would probably like to hear. It is entitled: 'Fighting the Trust in Binder Twine.' This refers not to the dark ages, when there was protection on binder twine, but to the present time, when binder twine is on the free list. This paper, which, as luck would have it, is from the constituency of the hon. member for Red Deer, says that the article is copied from the Grain Growers' Guide. I think the hon. member for Assiniboia will recognize the authority of that publication. The article says:

> Dissatisfied with the high price of twine the Grain Growers' Association for a year past has been investigating the cause, and as a result has come to the conclusion that the American binder twine manufacturers have created a corner in the raw materials, and established a monopoly.

Under free trade, established a monopoly—and the Grain Growers' Guide is the authority. That is certainly refreshing. The article goes on:

> This, says The Guide, is a serious situation for the western farmer, who has to have the twine at any cost, as there is nothing to take its place.
>
> 'The secretary of the Grain Growers' Association,' so we are told, 'has had the problem under consideration for a long time, and last fall he took the matter up with some British capitalists and manufacturers with the object in view of starting a British binder twine industry in competition with the American trust. It was then that the investigation of the real conditions started, but the project had to be dropped, because it was demonstrated to the satisfaction of the investigators that the United States binder twine trust had such an absolute monopoly on the necessary raw material that effective competition was out of the question.'
>
> The Guide adds: 'There is reason to hope, however, that the western farmer soon will be independent of the American binder twine trust. The investigation by the Grain Growers' Association and the British manufacturers resulted in an attempt now being made to introduce machinery using flax straw instead of the present material. If this experiment is successful it will mean the establishment of a new industry in the western Canadian provinces, a big saving for the farmer, and, besides, let him out of the twine trust's clutches.' So far so good! But while struggling to free the farmer from one American combine, the Guide advocates a fiscal policy which would enable

two or three score United States trusts to drive competing Canadian industries out of business and then advance the prices of many necessaries of life at their own will all over the Dominion.

Hon. gentlemen opposite put binder twine on the free list, and killed fifteen factories which mostly employed farmers' capital. There is about one factory left; the price of twine has been higher since those factories were killed than ever before, and, according to the Grain Growers' Guide, a monopoly exists. My panacea would be to put on the duty again, and let the Ontario and other factories as far west as Brandon get back into business. Hon. gentlemen opposite killed binder twine; in the same way they killed barbed wire, and in the same way they propose now to take the industries piecemeal and kill them one by one. Wherever a head shows up, hit it; if a head is thrust above water, down with it. That is the policy of my hon. friends opposite. If a thing is doing any good, kill it; if it is going to die, let it. In 1878 there were thirty different makes of mowers and reapers made in the province of Ontario; to-day there are three. They have been brought down from thirty to three by the fierce competition at home, which has more than cut the price in two in that time. Yet my hon. friend is not satisfied. I understand that the hon. member for Humboldt (Mr. Neely) is a medical man; if his pills are as valuable and efficient as the implements of Canada, he is a good deal better physician than I took him for. It is easy to denounce a business that has had a success; it is easy to attack, but it is hard to build up. I would advise my hon. friend to bring down a policy of construction rather than of reduction or degradation, as he said, referring to a railway. Let him begin to build up and to mould a policy that is for the whole of Canada. Has he ever heard any of us in the East taking any exception whatever to the building of railways, to the construction of canals, elevators or similar works? No matter whether we thought the country was going too fast or not, the East has stood nobly by the West all the way through, and we intend to do so in the future; but we ask the West to remember us, that we are mortals, too, that we have our ups and downs. This is no time to begin to pull down; it is a time to plant and to build, not to pull down and destroy that which, by great thrift, the investment of capital and the employment of great brains and skill has brought Canada to the proud position of being able in some items to cope with the world. But we cannot do that unless we stand together. We want a united policy for a united people; we want to hold together, the East and the West, the West and the East; one policy for all and the greatest good for the whole Dominion of Canada. If we will stand for that we may yet weather what I consider a condition of financial stress at the present time. I have not gone into the financial aspect of the Budget as I had hoped to, but I see that my time has almost passed. It is a time for caution. It is largely the legacy that hon. gentlemen opposite left that is responsible for the need of caution. It is like receiving a bequest on which the death duty is larger than the amount of the bequest. I refer to the railway legacy which our hon. friends opposite left. It was a tremendous legacy, enough to crush any smaller man than the present Minister of Finance. The Finance Minister seems to be able to bear almost any kind of burden on his shoulders, but a smaller man would have gone down under the crushing weight our friends have left. For what? In order that we may bring down the products of the West to the East and the seaboard over our own railways.

Only the other day the right hon. leader of the Opposition became eloquent in rehearsing a speech which he made in 1903 in which he said: May Heaven grant that we are not too late in building this great transcontinental railway up by Hudson bay so that our American cousins cannot get at it, far remote from the boundary, to carry our products over our own territory, every inch, to the eastern seaboard. And yet it was but a short time ago that hon. gentlemen opposite proposed a policy that would have been death to the railway interests of the Dominion of Canada, absolute death. Policy for the moment, you say? Policy for the moment is not good enough; we want a policy that is going to live, a policy that is going to stay and a policy that is going to get the confidence of people so that they will invest their money in our enterprises. You cannot build railways for to day and, before they are quite finished, say: It is good policy to divert all this traffic to the south. What are these railways for? For what have these hundreds of millions of dollars we have squandered on these railways been spent if not to carry

the products of the western farmer down over our own routes to our own ports, St. John, Halifax, Quebec and Montreal? That is the policy we presumed hon. gentlemen were going to support; but in a moment of weakness they have gone away to other things and would divert this traffic and send it south of the line and leave these railways to trundle along with empty cars. How in the name of all that is practical could you hope that freight rates would be reduced on roads that cost an enormous amount and from which most of the traffic was afterwards to be diverted to foreign countries? The whole thing is too silly, it is not worthy of the serious attention of commercial men or men who want to build up the Dominion of Canada. I ask my hon. friends to think over a policy, now that Easter is coming. Easter is at hand, they will have time to spar for wind. Let me advise them to devise a policy. Do not get one that is just for the moment, but get one that you are going to stay by, not for this session only but for next session. Go to the people and if you can devise a policy that is better than ours we may adopt it; but let it be a policy for more than a moment, because a moment is not long enough to test a policy. My hon. friends opposite have had a good many trade policies in their time that have not lasted very long, and I suppose that, unless Heaven gives them more wisdom than they have had in the past, we are going to have a repetition of that course. But I do beseech of them as patriotic citizens—and we know they are that—to devise a policy in the Easter holidays and then to come down and tell the Finance Minister what they are going to do. If they will tell him that they have got something better than he has he, as a man of shrewdness and brains, will probably adopt it next time; but I doubt if they will be able to find any flaw in the programme laid down or show how it can be improved upon. I think the junior member for Halifax was well advised in not moving or putting on 'Hansard' those two or three resolutions which he was supposed to have up his sleeve yesterday, but which never came down. I do not think they had been sufficiently thought over, and I hope that the Easter holidays, with the attendant religious services which it is to be hoped my hon. friends will attend, will put them in a better frame of mind to bring down a policy that will command the respect of the people of Canada.

There are several other questions which I wished to discuss, but the time of adjournment has almost arrived. There is, however, one subject to which I must briefly refer. I regret the attitude of our own side in regard to a great question that it now seems probable will not be dealt with this session, that is the matter that engaged so much of our attention last year, a contribution for the British navy and the upkeep of the empire's defence. I regret that the Finance Minister and his colleagues have not been able to bring down in the Estimates at least one-third of the amount we had proposed last year to contribute. Hon. gentlemen opposite, I think, will admit that we should have acted last year, that it was an unfortunate thing that their Senate majority should have turned down a policy which commended itself, I believe, to the large majority of the people of Canada, a policy that the people of Canada favoured and would have been only too glad to have seen immediately put in force by both parties. I would like to see my right hon. friend the leader of the Opposition join us for once in a great empire contribution. That would be very much valued by Great Britain and all the other overseas dominions and it is something which is long past due. We could have afforded to send the money over last session when the Bill came up and that would have let Great Britain know that we were willing to take up at least a little of the white man's burden in that part of the empire. Unfortunately the Bill was killed in the Senate. Our good friend the Hon. G. W. Ross, lately passed away—a great man from the province of Ontario who, during his time did many very valuable deeds and great acts, and was considered to be an imperialist of the imperialists in many respects—unfortunately in this particular case got side-tracked by some influence that has not yet been fully explained. Whether it was the influence of the leader of the Opposition or others of his party I do not know, but I consider that the Senate of the Dominion of Canada in their own interests and in the interests of this country never made a greater mistake than they did under the leadership of the Hon. G. W. Ross when they turned down last session the proposal to give $35,000,000 towards the British navy. We all know what we owe the mother country and whether we are going to be independent—as my right hon. friend opposite hopes—or a self-respecting part of the overseas dominions, I believe the people of Canada from one end of the country to the other, feel that we should do at least a

little towards bearing the great burden of our overseas mother. I regret that we have not been able to grapple with that question this session. With the overflowing treasuries of the past few years, we could easily have sent that amount where it will be sent in the near future. As a humble Canadian who occasionally goes to the mother country, I feel almost ashamed to step on the wharf at Liverpool while we are doing all the talking and none of the acting—while we are making promises of loyalty, promises of support, and giving everything in the way of encouragement by word, but in deeds not a cent. I say I regret that, but I cannot see that the Government are responsible for this condition. They probably felt that the Senate would again throw out the measure, and therefore it was not proposed. I hope that in the near future—I say this in all sincerity—the people of Canada will unite in contributing either men, money, or ships, or in some other way help the mother country who has for years been staggering, and is still staggering, under an almost more than human load of taxation. We as men are well off. We have a good many of this world's goods and could well afford to pay our share in relieving Britain of this weary load and I hope that we shall not long continue to occupy our present position. For my part I could wish that $15,000,000 or $20,000,000 of our surplus this year had been put in the Estimates in order that we might catch up a little on the payments long overdue. I know, Mr. Speaker, you wish to call it six o'clock and as I have about concluded my remarks I will not weary the House any further.

On motion of Mr. Carroll, the debate was adjourned.

On motion of Mr. Rogers, the House adjourned to Wednesday the 15th of April, at three o'clock.

Wednesday, April 15, 1914.

The House met at Three o'clock, the Speaker in the Chair.

REPORT.

Report of the Department of Trade and Commerce for the year ended March 31, 1913; Parts I and II.—Hon. Geo. E. Foster.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

RANCHING AND GRAZING COMMISSION.

Mr. KNOWLES:

1. When did the Ranching and Grazing Investigation Commission meet in Moosejaw?
2. What witnesses were heard?
3. Where in Moosejaw did the commission hold its session or sessions?
4. What rent was paid for use of the premises where the commission met in Moosejaw, and to whom was such payment made?

Mr. ROCHE:

1. November 25, 1912.
2. O. B. Fysh, Major Simpson, J. A. Kennedy, Donald Morrison, John McFady, H. Howe, F. A. Benton, F. Foley, W. Howes, H. Fitzhugh, J. Clothier, Alex. McGregor, P. Doyle, R. Martin, W. K. Cross, W. Hagle and many others.
3. Swaighers Hall.
4. No charge.

PRINCE EDWARD ISLAND BANKS.

Mr. J. J. HUGHES:

1. Did any of the banks doing business in Prince Edward Island at the time of Confederation, subsequently fail? If so, what did the shareholders, depositors and note holders lose?
2. Under what arrangement or regulations did the banks of the province of Prince Edward Island continue to do business after Confederation, when the paid up capital of each of them was much below the amount the law required?

Mr. W. T. WHITE:

1. At the time of Confederation there were five banks doing business in Prince Edward Island. Two of these—the Farmers Bank of Rustico and the Bank of Prince Edward Island—failed. The legislation of the Dominion in regard to banking did not apply to these banks either before or after their failure.

In regard to the Farmers Bank of Rustico, there is no information available as to losses sustained by shareholders, depositors or note holders.

The depositors and note holders of the Bank of Prince Edward Island, which suspended payment in 1881, received 59½ per cent each. The shareholders received nothing.

2. After Prince Edward Island was admitted to the Union, the banks then carrying on business there continued to be subject to the provisions of the banking legislation in force in the island prior to the union. (See sections 146 and 129, British North America Act, 1867, and the third last paragraph of the schedule to the Imperial Order in Council of date June 26, 1873, admitting Prince Edward Island to the Union.)

When in 1890 (Chapter 31) the provisions of the Bank Act were made applicable to

certain Prince Edward Island banks incorporated before 1873, these banks were then (1890) going concerns, and the provisions of said Chapter 31, with regard to the amount of paid-up capital necessary for the organization of a bank, only applied to banks which were afterwards incorporated.

OTTAWA LEASED BUILDING.

Mr. BUCHANAN:

1. Has the Government leased any part of the Blackburn building, Ottawa?
2. If so, for what term and at what price?

Mr. ROGERS:

1. Yes.
2. Metcalfe street building, 6 floors, for 5 years from 6th January, 1912, at $13,000 a year. Sparks street building, part of 2nd, 3rd, 4th, 5th, 6th, 7th, 8th and 9th floors for 5 years from 16th July, at $28,986 a year.

INTERCOLONIAL RAILWAY STATIONS.

Mr. MARCIL:

Are any improvements contemplated this season at the Intercolonial railway stations at Millstream and Assametquaghan, and what are they?

Mr. J. D. REID: Yes. Improvements in the agent's dwelling at Millstream, and in the station premises at Assametquaghan, by way of sheathing, painting and ordinary repairs, are intended to be made this season.

INTERCOLONIAL RAILWAY—WATER SERVICE.

Mr. MARCIL.

1. Has a water system been installed in the Intercolonial railway at St. Alexis?
2. If not, how is the water for the agent and the public secured there?
3. Is it intended to improve upon the service, and when?

Mr. J. D. REID:

1. Water system has not been installed by the railway.
2. The agent secures water for his own use and provides water for the public for which he receives payment by the railway.
3. The railway has no demand for improved service.

Mr. MARCIL:

1. Is a new water service being installed at the Intercolonial railway station at Matapedia, and on what system?
2. What is to be the cost of the work, and when is it to be completed?
3. Has there been any delay in the work, and what was the cause?
4. Has any provision been made for a supply of water in case of fire in the Intercolonial railway promises or the surrounding village? If not, why not?
5. Is the work being done by contract, and who is the contractor?

Mr. J. D. REID:

1. Yes, gravity supply.
2. Estimated cost, $16,200. It is expected to be completed by April 15, 1914.
3. Work has been somewhat delayed by the excessive cold weather this winter.
4. Yes, hydrant to be placed at rear of station.
5. Yes. K. A. Morrison, of Ottawa, Ont., contractor.

BONAVENTURE INDIAN RESERVES.

Mr. MARCIL:

1. Has an application been made for the removal of the Indian reserves of Restigouche and Maria in Bonaventure county, and by whom?
2. What answer was given to such requests, if any were received?
3. Is any action contemplated in this connection?

Mr. ROCHE:

1. No.

2 and 3. Answered by No. 1.

NORTHWEST MOUNTED POLICE CLOTHING CONTRACT.

Mr. SINCLAIR:

Referring to the payment of $3,937.50, as found on page R-5, Vol. 11, Auditor General's Report, made to Ames, Holden, McCready, Montreal, for boots for Northwest Mounted Police, what are the names of the newspapers in which the advertisement calling for tenders for this purchase appeared, and the dates of insertion of such advertisements, if any?

Mr. PERLEY: The advertisement calling for tenders for clothing for the Royal Northwest Mounted Police, as referred to above, appeared in the following newspapers:

Place and newspaper:
Toronto, the Globe.
" Monetary Times.
" Truth.
" Toronto Daily Star.
" Canadian Congregationalist.
" Weekly Sun.
London, London Advertiser.
Hamilton, Hamilton Times.
Kingston, the British Whig.
" Canadian Freeman.
Brockville, Brockville Recorder.
Ottawa, the Free Press.
" Le Temps.
" the Danebrog.
Guelph, the Mercury.
Berlin, the Telegraph.
Arnprior, the Watchman.
Peterborough, the Times.
Brantford, the Expositor.
Galt, the Reformer.
Prescott, the Journal.
Stratford, the Stratford Beacon.

Chatham, Le Canadien.
Montreal, the Herald.
" La Patrie.
" the Witness.
" the Canadian Journal of Commerce.
" the Shareholder.
Quebec, Le Soleil.
" the Daily Telegraph.
" Le Semaine Commerciale.
Hull, the Hull City Advance and Gatineau Beacon.
" La Spectateur.
Halifax, the Morning Chronicle.
" the Evening Echo.
" the Acadian Recorder.
North Sydney, North Sydney Herald.
St. John, N.B., the Telegram.
Charlottetown, the Patriot.
" Prince Edward Islander.
Brandon, the Brandon Sun.
Portage la Prairie, the Manitoba Liberal.
Winnipeg, the Manitoba Free Press.
Regina, the Leader.
Calgary, the Albertan.
Medicine Hat, the News.
Edmonton, the Bulletin.
" the Alberta Herald.

Tenders for clothing called for by the advertisement were for a period of three years from April, 1910, to April, 1913, and the advertisement was inserted twice in the foregoing newspapers during the month of April, 1910.

EGANVILLE POST OFFICE BUILDING.

Mr. GRAHAM:

1. What is the name of the inspector or clerk of works on the new post office building at Eganville?
2. When was he appointed?
3. What is his salary?
4. How much has he been paid up to date?

Mr. ROGERS:

1. R. G. Reinke.
2. June 25, 1913.
3. $4 per working day.
4. $744.75.

BEDFORD PUBLIC BUILDING.

Mr. KAY:

1. Did the Hon. G. H. Perley, at a meeting in Bedford, Quebec, on Thursday, the 2nd of April, promise the inhabitants of Bedford that he would use his best endeavours to have included in the Estimates for next year a sum of money for the purpose of building a post office in Bedford?
2. If so, was he authorized by the Government to make this promise?
3. Is it the intention of the Government to include in the Estimates for next year a sum for building a post office in Bedford, Quebec?

Mr. PERLEY:

1. Mr. Perley stated at the meeting referred to that he would recommend to the favourable consideration of his colleagues the request of the people of Bedford for a public building, but that he could not say whether anything would be done about it this year.

2 and 3. The question has not yet been considered by the Government.

UNOPPOSED AND UNDISCUSSED MOTIONS.

Mr. Murphy.—Return showing: The total bond issue of the Canadian Northern Railway Company and its affiliated companies; the total cost to date of the construction of the lines of railway comprising the Canadian Northern railway system, including terminals, sidings, etc.

Mr. Macdonald.—Return showing: What kind of coaling plants have been provided on the National Transcontinental railway; how many have been provided; where they have been constructed; whether any tenders were called for them; the name and address of the lowest tenderer; from whom they were obtained and at what price.

Mr. Michaud.—Return showing how many commissions were appointed by the Government since the year 1911; the name of each commission; how much money was paid to each of said commissions to date; how many more commissions are to be appointed during the present fiscal year.

Mr. Sinclair.—Return showing: How much money has been paid by the Government, or any department thereof, since October 10, 1911, to the Herald Publishing Company of Halifax, N.S., for advertising, printing and lithographing.

Mr. Pugsley.—Return showing: How many passengers have been carried over the Intercolonial railway from St. John to Halifax, and from Halifax to St. John, respectively, under the agreement made on the 30th September, 1913, between the Canadian Government Railways by F. P. Gutelius, general manager and the Canadian Pacific Railway Company, by G. M. Bosworth, general traffic manager, from the 15th November, 1913, when the said agreement went into effect, to the 31st March last; how many tons of freight of each of the classes mentioned in said agreement have been carried each way over the Intercolonial railway between St. John and Halifax, under said agreement during said period; what have been the total earnings by the Intercolonial railway under said agreement up to the 31st March last, for passengers and freight carried, respectively; what amount has been paid to or earned by the Canadian Pacific railway for car hire under said agreement; what number of empty cars of the Canadian Pacific Railway Company have been hauled by the Intercolonial railway free under said agreement, and what has been the cost of such haulage; what would have been the total amount paid by the Canadian Pacific Railway Company to the Intercolonial railway, under the tariff prevailing at the time of the making of said agreement, for the passengers and the freight so carried, respectively; whether the said agreement has been submitted, as promised by the Government, to the Board of Railway Commissioners by the Minister of Railways for the purpose of having the board determine as to whether or not said agreement is discriminatory against the port of St. John; if not, why it was not so submitted; whether it is the intention of the Minister of Railways to renew the said agreement, or to put in force a similar agreement, during the next winter port season; what

agreement the Government intends to make as to the Atlantic termini of the fast Atlantic Mail steamers for the winter of 1914-15.

RANCH FOR CAVALRY REMOUNTS.

On the Orders of the Day being called:

Sir WILFRID LAURIER: A statement has been made in the press to the effect that the Government have granted a lease to a certain company for the purpose of establishing a ranch for cavalry remounts. Are the Government prepared to put that lease and the correspondence connected therewith on the table, without my making a formal motion?

Hon. SAM. HUGHES: As soon as the lease and the Order in Council are passed, we will do so.

Sir WILFRID LAURIER: The Order in Council has not been passed yet?

Mr. HUGHES: The lease has not been signed and the matter is not in proper shape.

Sir WILFRID LAURIER: The Order in Council has been passed?

Mr. HUGHES: The Order in Council is being amended.

MONTREAL BERTHING ACCOMMODATION.

On the Orders of the Day being called:

Hon. R. LEMIEUX: I would like to call the attention of the hon. Minister of Marine and Fisheries to the fact that the Montreal press reports that no berthing accommodation will be found this spring for the Royal George, one of the steamers of the Royal line, and great indignation is expressed on the part of the Montreal shipping federation owing to the fact that there is no one in Montreal to see what accommodation can be given to the various shipping interests. My hon. friend will notice that at the present time the Harbour Commission is practically non-existent, two of its members and the assistant secretary being in Europe and the secretary being ill. Has my hon. friend considered these facts and does he intend to remedy the situation?

Hon. J. D. HAZEN: The matter is really one for the Harbour Commissioners of Montreal to deal with. This Parliament has seen fit to place certain matters in the hands of the Harbour Commissioners, subject to certain control by the Department of Marine and Fisheries and the Governor in Council. The allotment of berths is one of those matters which are in the hands of the Harbour Commissioners. I do not understand that the Harbour Commission is disorganized at the present time. The chairman, Mr. Ross, has been in Europe inspecting harbours there, following the example of his predecessor in office, Major Stephens. Mr. Roberston is acting chairman, and is, I believe, attending to his duties. I do not know whether there is truth in the report or not; but I doubt it very much. I believe that the work of the harbour is proceeding very satisfactorily and that everything will be ready for the opening of navigation. The business of the harbour is perhaps increasing more rapidly than are the facilities, although I think the Harbour Commission, backed up by the Governor in Council, are working earnestly to bring the facilities up to date. I believe that berths will be found for the Royal Line and all other steamship lines during the present season.

RIVER VALLEY RAILWAY.

On the Orders of the Day being called:

Hon. H. R. EMMERSON: A rumour or announcement has appeared in the eastern press to the effect that the federal government is giving some additional assistance for bridges in connection with the River Valley railway, and that an Order in Council has been passed for that purpose. Has an Order in Council been passed in any way relating to that subject or to the construction of bridges across the St. John river?

Hon. GEORGE E. FOSTER: There has been a proposition before the Government, and it has been considered and is still being considered, but no Order in Council has yet been passed.

QUESTION OF PRIVILEGE.

On the Orders of the Day being called:

Mr. TURRIFF: As a matter of privilege, I wish to say that in the debate on the Budget the other day I stated that under the reciprocity pact the duty on mowers and binders had been reduced by 2½ per cent and on other machinery by 5 per cent. My hon. friend the Minister of Public Works interrupted me to say that I was mistaken—that nothing had been taken off threshers. I wish just to point out to my hon. friend that in 'Hansard' of 1910-11, vol. 2, page 2489, he will find the following: Threshing machines, the then duty, 20 per cent; proposed duty, 15 per cent; reduction by Canada, 5 per cent; windstackers, baggers, weighers and self-feeders

therefor and finished parts of the foregoing for repairs, the same duty. So that there was a reduction on threshers of 5 per cent.

Mr. WARNOCK: How about engines?

Mr. TURRIFF: This refers to threshers, just what my hon. friend the Minister of Public Works said were not changed. Probably my hon. friend had in mind that no change was made on engines used on the farms.

THE BUDGET.

Consideration of the motion of Hon. W. T. White (Minister of Finance) for the House to go into Committee on Ways and Means, resumed from Wednesday, April 8.

Mr. W. F. CARROLL (South Cape Breton): Mr. Speaker, I am sorry that the hon. member for Brantford (Mr. Cockshutt), who closed the debate before the Easter recess, is not in the House at the present time. We on this side of the House always like to hear utterances from the hon. member for Brantford, especially on matters of tariff. We feel that he has been somewhat bridled and curbed this session, from the fact that he did not speak when the resolution was before the House as to the advisability of free agricultural implements. We feel also that, when he makes utterances regarding matters of tariff and customs, the farmers sit up and listen, and that for some time after he speaks on such subjects a very considerable number of farmers throughout the length and breadth of this country join the ranks of the Liberal party.

The hon. member for Brantford, as is his usual custom, opened his speech with an attack upon the right hon. leader of the Opposition (Sir Wilfrid Laurier), and closed his speech with a little flag-waving. Between these he sandwiched in prayers for the protection of the Minister of Finance (Mr. White) in that he had not seen fit to lower the duties on Cockshutt ploughs, or on ploughs coming into this country. It has been said of the hon. member that he was never known to smile. I wish to give that broad statement an absolute contradiction. When the Minister of Finance had finished his narration so far as it concerned the reduction of duties on farm implements, the hon. member for Brantford arose in his seat, heaved a sigh of relief that was heard throughout this Chamber, and actually did smile. But that smile, to be sure, put such a strain upon his countenance that it did not stay there very long.

In the course of his speech the hon. member for Brantford made the astounding statement to me, that under the Laurier Government political and commercial morality sank to the lowest ebb it has known in this country since Confederation. He gave us no evidence to prove his statement. He did tell us something—and I presume he gave that as his whole evidence in the case—concerning the cruise of the Neptune. I thought that subject was dead and that it had been buried in the election campaign of 1908. But the hon. gentleman has resurrected it. Let me tell him that on every public platform during that campaign, the cruise of the Neptune was flaunted as a great scandal, with the result that, after the Canadian people had carefully weighed it, after they had given it due consideration, they returned to power the Government of the present leader of the Opposition with a magnificent majority. So, evidently they did not believe the statements made throughout this country regarding the cruise of the Neptune; and I do not think the hon. gentleman is going to bring to his party or to himself any particular strength by revamping that old scandal. Let me tell the hon. gentleman that when future generations of Canadians shall be sounding the praises of the right hon. the leader of the Opposition as a great statesman, a great Canadian, and when Parliament Hill shall be crowned with monuments to the revered memory of that right hon. gentleman, giving silent but strong testimony to the belief of all Canadians that he was the greatest Canadian of his time and did more to foster sentiments of friendship and good feeling among all classes and creeds in this country than any other man before or since, the hon. member for Brantford himself will be resting in a secluded grave in a secluded cemetry in the city of Brantford, the Canadian people will have entirely forgotten that he ever existed, and there will not be even a ploughshare to mark his resting place.

The hon. gentleman talked of political morality and political scandals. Perhaps this is not the time to go into a discussion along that line. But let me remind the hon. gentleman that his party has a history in relation to scandals. Let me ask the hon. member, has he forgotten all the things that transpired previous to 1896? Does he remember the Curran bridge scandal? Does

he remember—has he any faint recollection of—the McGreevy scandal? Has he any recollection of the public buildings scandals in the city of Ottawa and the hundred and other scandals that becloud the memory of some of the public men of that time and the record of the Conservative party? And as to political morality, does he remember the nest of traitors that had its rookery on Parliament Hill from 1893 to 1896? In these things he has food for reflection; and if he wishes to launch a debate on scandals in this House, let me assure him that the Liberal party will give him a Roland for his Oliver on every occasion.

He spoke too at some length on certain legacies that the late Administration had left to the present Government. Well, Sir, the present Government was left certain legacies by their predecessors. The present Government came into the legacy of a well-filled treasury. They came into the legacy of a great and ever-expanding trade. They came into the legacy of a happy and contented Canadian people. They found the labouring population unstinted by hard times and poverty. Such were not the legacies that the Government that came into power in 1896 received from their predecessors; and if the present Government goes on long along the lines it has followed for the two and a half years of its history, such will not be the legacy it will leave to its successors. For never has such a change for the worse come over this country in such a brief period of time as has come over it in the two and a half years during which the present Government has ruled its destinies. I shall perhaps have something to say on that point in another part of my address.

The hon. gentleman spoke somewhat of good times, and asked the House what was meant by good times. Well, I presume that if the hon. gentleman himself had answered the question, which he did not do, he would have said that good times meant a very high tariff wall against the importation of ploughs and a very handsome profit on Cockshutt ploughs. That would be good times to the hon. member, and I have no doubt that he would think that that constituted good times throughout the length and breadth of Canada. But I am rather surprised that the hon. gentleman should discuss at this particular juncture the question of good times. For if there ever was any period in the history of Canada when we did not have good times it is certainly within the last year, and particularly within the last eight months. For two years hard times and poverty have hovered over this country, for two years the money stringency has been felt by all our commercial classes.

The hon. gentleman, as I said, closed his speech with a little flag-flapping, and with some censure of the present Government for not having brought down this year a budget of $35,000,000—or $15,000,000 for the year, as he put it,—to go to the support of the British navy. He told us, too, that that policy was what the Canadian people wanted, and that when they got the opportunity they would so record their decision. Well, Sir, the Liberal party in this House last year courted an election on the naval question, and I think the Liberal party court an election on that very issue now. Let me tell my hon. friend that so far as I know the Liberal party they will go on courting an election on that question until the present Government shall have gone out of office through the flux of time—because that is about the only time they will go to the country. The matter of a Canadian-built navy as distinguished from a cash contribution to the navy of the Old Country has been so thoroughly discussed in this House that there is not very much to be said about it at the present time. But, looking across to Australia, we find that Australian statesmen who were cited in this House during the debate last year as supporting contribution are now very much opposed to that policy. Senator Miller, Minister of Defence in the Commonwealth of Australia, has issued a statement in which he says that Australia is irrevocably committed to an Australian navy and policy and needs her own ships. He says that Mr. Churchill suggests a reversion to the discarded policy of contribution. There is upon our statute books, in the Naval Act of the late Administration, what constitutes the naval policy of this country, and the present Government dare not repeal it. They are against a Canadian navy, but they are allowing to remain on the statute book the legislation which brought that navy into being; they are keeping up the naval college at Halifax and they are expending thousands of dollars this very year for the upkeep of the two training ships which are in our own waters. These ships are not being used as training ships, but are tied up in the harbours of Halifax and Esquimalt. Apparently the Government has no policy on this question of naval defence or of assistance to the empire; apparently they are afraid to bring down a policy at

this time. I can only say that when they do launch forth a naval policy, the hon. member for Brantford will find the Liberal party, as he has always found it, favourable to giving assistance to the motherland, yet true to the Canadian people and to Canadian interests.

The hon. gentleman has re-hashed this same old speech in the House so often that he has almost put it out of existence. His attitude in this respect reminds me of a story which I have heard concerning a schoolmaster and one of his pupils. The schoolmaster was giving a lesson in fractions, and he was asking his pupil: If I divide a piece of meat into four parts, what will one of those parts be called? The pupil answered, one-fourth. The schoolmaster kept on dividing until he had divided it into sixty-four parts, at which stage the pupil told him that each separate part would be one sixty-fourth. Now, said the schoolmaster, if I divide it again, what will you have? Hash, said the pupil. Before the schoolmaster had a chance of disciplining or interrupting him, the pupil said: If you keep on re-hashing it, you will have nothing left. And that is what has happened to the speech of the hon. member for Brantford; he has re-hashed it so often in this House that he has almost destroyed it.

We were assured by the hon. Minister of Finance that, so far as the financial stringency in this country was concerned, the worst was over. These remarks have a familiar sound to me; I think the hon. Minister of Finance made use of them about three months ago either in the city of Montreal or in the city of Quebec. Yet the clouds are gathering, and things do not look very bright. While we on this side of the House trust that the sentiments of the Minister of Finance as expressed in that phrase are correct, I myself feel that he has some distance to go before he becomes a very great prophet, because if his prophecy of five or six months ago had been fulfilled, hard times would now be over.

With regard to the question of immigration, the hon. Minister of Finance told the House that while the number of immigrants coming into the country at the present time was not increasing, it was gratifying to know that there was a marked improvement in the quality of our immigration. I think the very figures the Finance Minister gave to the House prove not that his assertion is correct, but that it is absolutely wrong. I presume that if I were to ask the hon. Finance Minister from what countries we get the best class of immigrants, he would tell me that they come from the British Isles and from the United States, and I dare say in that regard he would be right. What are the figures that he gave the House? During the fiscal year 1912-13 there came from the British Islands 150,542 immigrants, from the United States 139,009, and from other countries 112,881. If it be true that we are getting the best class of immigrants, we would naturally expect a greater number of immigrants from the United States and from the old land during the following year. What are the facts? During the eleven months of the year 1913-14 there came from the British Islands 136,699 immigrants, a decrease of some 12,000. From other countries during that period there came 128,933, an increase for the eleven months over the twelve months of the preceding year of some 16,000 immigrants. From the United States during that period there came only 97,406 immigrants, as against 139,000 for the preceding year. These figures do not go to show that the immigration we are getting is of a better quality; as a matter of fact, we find that from the year 1911 to the year 1913 the increase in the number of immigrants coming from the British Islands has only been 3 per cent; that the increase of those coming from continental Europe has been 100 per cent, and that in the number of immigrants coming from the United States during that period there has been a decrease of about 20,000. But the most disquieting feature of the situation is disclosed by the figures as to homesteading. Homestead entries have been gradually falling off. The number of homestead entries made in the three prairie provinces in 1911 was 38,585, in 1912, 35,226, and in 1913, 29,640. The number of pre-emptions in 1911 was 10,583; in 1912, 8,947, and in 1913 only 6,483. That shows that this Government, instead of inducing the immigrants to take up farms, where they could do some good not only for themselves but for the community at large, is encouraging the newcomers to go into the large centres of trade. I am glad to see that we are not to have so many artisans and workmen from Great Britain this year as during the past. That is what the Superintendent of Immigration says, and he gave a very peculiar reason for it: he said that times were so good in Great Britain—free trade Great Britain—that the artisans and workmen were not

emigrating from that country, and that therefore there was little fear of their overcrowding our cities this year. I am afraid that this Government, and perhaps all previous governments, have not tackled the immigration question along the right lines. They have encouraged immigration without letting the immigrants know the exact condition of affairs in this country. Who in this House will say that we need workmen and artisans in this country at the present time? Why, during the last year thousands and thousands of artisans and workmen were walking the streets looking for employment. The action of the Vancouver Trades and Labour Council in passing and forwarding to the members of this House a resolution regarding immigration was very timely. The resolution reads as follows:

Whereas, continuous efforts are being made by transportation companies, emigration agencies and other societies to induce employers in Canada to import labour from outside the Dominion, and

Whereas, these companies and societies have received and are now receiving Government guarantees and grants of public money, and

Whereas, the arrival of immigrants on these shores during a time of severe depression such as now exists not only intensifies the serious unemployment question, but tends to deteriorate the already too low standard of the workers' living, consequently retarding industrial and national progress, therefore be it

Resolved, that the federal and provincial governments of Canada discontinue assisting financially or otherwise such corporations and societies and further take steps to ensure that correct information be given to prospective immigrants in their own homes, and be it further

Resolved, that copies of this resolution be sent to Premier Borden, the federal members of the House of Commons, and the press.

I hope that the present Government will encourage immigration from such countries as Great Britain, the United States and France and at the present juncture retard immigration from continental Europe.

Mr. BURNHAM: If thousands of artisans are walking the streets of Canada, why does the hon. member want additional immigration?

Mr. CARROLL: To go on the farms. I thought I had made myself clear on that. I pointed out that there has been an actual decrease in the number of homestead entries during the last two and a half years. I did not make that statement on my own authority, but gave the actual figures.

I do not pretend to know very much about the tariff, but I have given the subject some consideration and irrespective of party affiliation, my own opinion upon the question of protection is this. The infant industries of this country which have not yet reached that stage where they are able to capture the home market should be given a reasonable measure of protection by whatever Government happens to be in power in this country.

Some hon. MEMBERS: Hear, hear.

Mr. CARROLL: Further, when an industry in this country has not only captured the Canadian market but has shown itself able to compete in the markets of the world, that industry should no longer receive protection from the Government of this country.

Mr. LALOR: Do the hon. gentleman's remarks apply to such a concern as the Dominion Steel Company?

Mr. CARROLL: The hon. gentleman need not worry. I am going to discuss that. I never run away from discussing any phase of a situation. I take the further ground that when the manufacturers of this country feel that they are able not only to capture the Canadian market but also to compete successfully in the markets of the world, they should be given their own way of thinking and their products should be put on the free list. They are the best judges of the situation. I make those general remarks to show where I stand on this question. We are told by the Minister of Finance that his Government is a government of adequate protection. Adequate protection—that is the most indefinite thing in the world. Does he say that it is adequate protection to give between twelve and thirty-five per cent on the farming implements of this country, the manufacturers of which are able to compete successfully all over the world, and to give only the same protection to an industry just as important, if not more, that is unable to compete successfully even within Canada. Is that adequate protection? That indefinite phrase reminds me of something I read when a boy. In Anthony and Cleopatra Septimus asks his friend Anthony, who had just returned from Africa, the following question:

Septimus: What manner of thing is your crocodile?

Anthony: It is shaped, Sir, like itself; and it is as broad as it has breadth; it is just as high as it is and moves with its own organs; it lives by that which nourisheth it, and the elements once out of it, it transmigrates.

That is about as indefinite an answer as could possibly be given, and it fits in very well with the very indefinite phrase 'adequate protection.'

In regard to the changes made by the present Budget I wish to say that anything

this Government or any other government does to help the steel industry of this country has my hearty and unqualified support. The bald statement that the present Government are doing something for the Dominion Steel Company looks very well. In a few moments I am going to analyse that statement and show what this Government has actually done for the steel industry of this country. Previous to 1896 the then Government gave a bounty to pig iron which was produced from Canadian native ore. That was the situation when the late Government came into power. In 1897 Mr. Fielding, in his Budget, extended that bounty to pig iron which was not produced from native ore, and I believe he did this substantially with the purpose in view of rendering assistance to the Dominion Steel Company at Sydney which uses altogether foreign ore in the manufacture of its pig iron. But he did make a distinction. He said that, whereas we shall give a bounty of $2 a ton on pig iron produced from foreign ore, we shall give a bounty of $3 a ton on pig iron produced from native ore, thus giving $1 of an advantage to the native ore. I believe that was a proper step to take. He reduced the tariff duties at that time also and in reducing those tariff duties he gave as his reason that the products of steel were so extensively used in all the manufactures of this country that it would be in the interest of Canada as a whole that iron should be reasonably cheap. While he recognized the fact that putting a duty on iron or steel would increase the cost of iron or steel, he took the position that by giving a bounty the manufacturers of steel would have protection and the users of steel would have cheap steel besides. That was the ground he took and I think that was a reasonable ground. These changes were on a sliding scale and the bounties went practically out of existence in 1907 and were renewed to the extent of about 55 per cent of their original proportions in 1907 and continued until the year 1910.

In 1907 Mr. Fielding gave a bounty of $3 a ton on wire rods and he gave as his reason for doing that instead of putting a protective duty on, that if he put a protective duty on wire rods it would necessitate changing the whole basis of the tariff on the products of these rods. In that his argument was unanswerable. He gave, as I say, a bounty of $3 a ton. It was proposed to encourage the steel industry in this country, and as a result of the bounty the Dominion Steel Company put up a rolling mill at Sydney at a cost of $1,000,000, and the Dominion Steel Corporation—I think they call it—at Hamilton, put up a rolling mill costing in the vicinity of $800,000. While this steel company and this steel corporation received a large amount of money from the public treasury of Canada in the form of bounties and bonuses, I believe that the Dominion of Canada got a return for every dollar of it. I am going to tell you why. In 1897, when the steel industry at Sydney was in its infancy, we had a population of 3,000 or 4,000, while in 1911, with the expansion of the steel industry owing to the great encouragement which had been given to it by Mr. Fielding and the late Administration, Sydney had grown from a hamlet of 4,000 to a very magnificent city of 20,000. The customs duties on articles imported not only at Sydney but at other steel centres more than made up for every dollar paid by this Government through bounties upon the production of steel and iron.

4 p.m.

There was at that time a bounty of $3 on angles and plates and these articles also carried a duty of ten per cent. This was done away with because they were completely manufactured articles and on those completely manufactured articles duties were imposed up to $7 a ton. I want to reiterate that on its face $3.50 a ton duty on wire rods means a good thing for the industries manufacturing wire rods. The present tariff does not mean that and I am going to prove it. But before going on with that, I want to say that in 1903 the right hon. the Prime Minister (Mr. Borden), while there were large bounties paid on iron and steel, rose in his place in this House and condemned the Government of the day for not doing enough. He wanted a high protective duty on iron and steel and he wanted that duty, he said himself, so that our own industries might capture the Canadian market. Notwithstanding that fact, while the steel industry of this country was going through the crisis of its life in the last three years, the present Government sat motionless and mute without giving any assistance to the steel companies either by bounties or duties. What does this $3.50 a ton amount to on steel rods? Taking it on its face, I must admit it is a good thing for the steel industry of this country, but let us investigate. There was a demand in 1913 for 175,000 tons of steel rods. During that year there were 92,000 tons of steel rods imported into the country. I think I am fair in saying that what was not imported, and what was manufactured in this country,

went mostly into the production of nails at the steel mills at Sydney and Hamilton and that the 92,000 tons which were imported went into the manufacture of wire fence and nails by the smaller manufacturers of Canada. The Dominion Steel Company, or the Hamilton Company, do not need very much assistance on the wire rods that they manufacture into nails because they get a protection on the nails. What I thought they would be looking for would be a protection on the iron rods that they themselves do not manufacture but would be in a position to manufacture if they could compete successfully in the Canadian market. But the Minister of Finance says to the fence men who used perhaps half of the steel rods that were imported into this country last year: We shall give you a drawback on the iron rods you import and put into steel fences. As far as the fence manufacturers are concerned, they are having free wire rods today

But what about the small manufacturers of nails, outside of the Dominion Steel Company and the company at Hamilton? The Minister of Finance holds a bludgeon over the Dominion Steel Company at Sydney and over the steel corporations of Ontario, and he says to them in effect: if you do not sell your wire rods to the small manufacturers of nails at a reasonable price, or at the price they were getting them at heretofore, we shall cut you out and remove the duty.

Some hon. MEMBERS: Hear, hear.

Mr. CARROLL: I am glad to hear hon. gentlemen cheer that, because it shows they recognize my argument is correct. When the Conservative papers of the East call out: Hurrah for the Minister of Finance, he has done great things for the steel industry of the country, hon. gentlemen opposite by their cheering show that either they do not believe these newspapers or they do not believe the Minister of Finance. I can give proof for this. The statement of the Minister of Finance appears in 'Hansard' as if he said: we shall reduce the duty. But, what the Minister of Finance really said was: we will remove the duty if you do not be good to the small manufacturers of nails in Ontario. Not only that, but before the steel men got anything, I understand—and now I am only speaking from hearsay and am not so sure of my ground—I understand that before the steel manufacturers of this country got any satisfaction or encouragement from the present Government they had to go to Toronto and meet the smaller manufacturers of nails and tell them—and I understand that it was at the behest of the Minister of Customs they went to Toronto—and tell them: do not make too much of a howl; you know we have got to be good to you; the Minister of Finance is holding this bludgeon over our heads and we have got to give you cheap wire rods for the manufacture of your nails. You can see that while this thing appears on its face to be very plausible, it does not mean that the steel manufacturers of this country who produce steel rods are getting a duty of $3.50 per ton on their output.

Mr. W. CHISHOLM: It transmigrates.

Mr CARROLL: It does. Let me draw to the attention of the House to another rather peculiar thing that attaches to this piece of legislation so far as the duty on wire rods is concerned. I find in the Votes and Proceedings, No. 56, of Monday, April 6, 1914, the following proposed resolution with regard to this change:

> Resolved, that the foregoing provisions shall be held to have come into force on the seventh day of April, 1914, and to have applied to all goods imported or taken out of warehouse for consumption on and after that day, and to have also applied the goods previously imported for which no entry for consumption was made before that day, except as otherwise provided in the foregoing resolution.

That is the usual resolution, but there is a proviso attached to it. I am not in a position to say whether this appears before or after the announcement made by the Minister of Finance, but I should think from its date that it appeared previous to his pronouncement on the iron and steel situation. There is this proviso attached to the resolution.

> Provided, notwithstanding any increase in customs under the said resolutions, that all goods actually purchased on or before the sixth day of April, 1914, for importation into Canada, on evidence satisfactory to the Minister of Customs of the purchase having been so made, and all goods in warehouse in Canada on such day, if entered for duty after importation prior to the first day of July, 1914, may be entered at the rate of duty in force on the said sixth day of April, 1914.

That is to say, steel producers in the United States were given this notice: Rush your orders of wire rods into Canada; you can get them all in free by getting your orders taken before the 7th day of April, 1914. I am informed on creditable authority that there were thousands upon thousands

of tons of wire rods sold in Canada under contract between the 6th of April and the 7th of April, 1914. I say that string was attached for the purpose, a very laudable purpose no doubt, of giving the small manufacturers of nails in this country a chance to take time by the forelock and have their importations come in without duty.

There are some other phases of this iron and steel question that are worthy of comment.

Mr. W. T. WHITE: I would ask my hon. friend if he suggests that any notice of that resolution was given except in the ordinary way. Does he say there is anything exceptional about that proviso?

Mr. CARROLL: I think so. I do not pretend to have very much knowledge about the matter myself, but I am informed that that is not the usual string attached to such resolutions regarding tariff matters. I find also in the Votes and Proceedings notice of this resolution respecting the iron and steel industry of this country:

> Resolved, that it is expedient to provide that the Governor in Council, may under regulations made for the purpose, allow, on the exportation of goods manufactured in Canada and into the manufacture of which pig iron imported into Canada mixed with pig iron made in Canada has entered, a drawback, equal to the duty paid, less such deductions therefrom as is provided in such regulations, of all the pig iron imported and used by the manufacturer of such goods in manufacturing the goods exported and other goods, and the drawback may be computed on the total quantity of pig iron, including pig iron made as aforesaid, entering into such exported goods.

That is, as I understand it, that if the manufacturer of any article in this country imports pig iron which goes into the manufacture of that article which is subsequently exported, he gets a drawback on the duty, and consequently he has practically free pig iron. That is not only a blow to the iron and steel industy, but it is a blow also to the Canadian consumer who has to buy these articles, because it gives an advantage to the United States farmer over the Canadian farmer, in the fact that the manufacturer gets a drawback on the imported iron which entered into the manufacture of the article he exports to the United States.

The manufacture of structural iron and steel in Canada is not even in its infancy yet, and there is a chance to develop it into a very great industry in this country.

If the hon. Minister of Finance had encouraged this manufacture, which does not exist in Canada to-day, by a system of bounties, he would see the manufacture of structural steel in this country developing by leaps and bounds, as it will not under his method of a protective tariff. That, however, goes for what it is worth; it is a mere prophecy. I point that out to the minister, because he said that bounties were useful to encourage an industry, but that once it got upon its feet it should be protected in another way. Once industries get on their feet and are able to hold the Canadian market and compete successfully with similar industries throughout the world, they want neither bounty nor protective tariff. I think I have shown that, while the hon. Minister of Finance held out one hand to the steel industries of this country and said: Here is a $3.50 per ton duty on your wire rods, he destroyed that in toto by holding out in the other hand to the manufacturers of fences a drawback, and by having some of his satellities behind him wield the cudgel over the steel companies to compel them to be good to his friends the nail manufacturers of the province of Ontario.

I come to the question of coal. I think it has been said by Conservative protectionists that if we reduce the duty on coal or any other article of commerce, it will be the entering of the thin edge of the wedge, and will be liable to cause the downfall of the whole structure of protection. Apparently the hon. Minister of Finance is not such an ardent protectionist as some of those who sit around him, because he has inserted the thin edge of the wedge in so far as the coal producers of Nova Scotia especially are concerned, because in that part of the country we produce only bituminous coal. My hon. friend the Minister of Trade and Commerce, in the old days, in his replies to the Budget speeches, used to taunt Mr. Fielding, then Minister of Finance, with sitting tight upon his coal scuttle. Mr. Fielding sat tight upon his coal scuttle, and, by the protection which he gave to the industry in Nova Scotia, that industry has developed. It developed between 1896 and 1911 from 1,000,000 tons to about 5,000,000 tons. We in Nova Scotia thank Mr. Fielding for sitting tight upon his coal scuttle, but we do not thank the present Minister of Finance for getting off that coal scuttle and allowing a few of his manufacturing friends in Ontario to put in the thin edge of the wedge in so far as the duty on coal is concerned.

Coke is allowed to come into this country free of duty. Before the Budget speech was

delivered, bituminous coal was allowed in free when it went into the manufacture of coke and was used for smelting purposes. I think that is a fair statement. The Minister of Finance comes along and disturbs the coal industry of this country by removing the duty from all bituminous coal used in the manufacture of coke, and it does not matter now whether it is manufactured into coke by the people running blast furnaces or not. If I start a coke oven in Nova Scotia, New Brunswick, or any other province, and sell the product of that coke oven to the manufacturers of steel in Ontario, I get my bituminous coal in free. It is a serious thing for the Minister of Finance to interfere with the coal tariff in the province of Nova Scotia. In proof of that, I may say that almost before he made the announcement, a cry went up from the Canadian Manufacturers' Association for free bituminous coal from one end of the line to the other. Mr. Rowley, who was I think at one time president of that association, says that he considers this a fine thing—why? Because, he thinks, if a delegation headed by himself come to the Minister of Finance next year and say they are using bituminous coal in the manufacture of matches in Hull, they are as much entitled to free coal as are the coke manufacturers; and I think he is right in that contention. The Minister of Finance, perhaps unintentionally, has hit a blow at the bituminous coal industry of this country. I may be told by whoever follows me that, in the election of 1911, as a candidate on behalf of the Liberal party in the province of Nova Scotia, I favoured a reduction of 7 cents a ton on coal. I did so, but we were getting a quid pro quo under the contention. The Minister of Finance, perfectly free market in the United States for our slack coal, which constitutes between 30 and 35 per cent of the output of the Dominion Coal Company, and, I believe, as large a percentage of the output of the other coal companies of Nova Scotia, and that would much more than make up for any hurt that the reduction of 7 cents a ton might do to that province. The people apparently believed so, because there was not in the province of Nova Scotia a coal county, with the exception of Cumberland, that did not return a Liberal to this Parliament. That in effect meant that they were all satisfied with our policy in regard to the coal industry.

There is one item of particular interest to the people of this country with which the hon. Minister of Finance, if he approached it, stayed only a very short time. I refer to the question of the high cost of living. If we are to believe the Minister of Labour, that we must have hard times before the price of food goes down, we should be getting foodstuffs dirt cheap in this country to-day, because we have had a very hard time financially for the last eight months or a year. Various causes have been given for this high cost of living. In a speech which my hon. friend the Minister of Finance made on the Address, he said that it is often caused by the exhaustion of natural resources. Surely no one will say that holds good in Canada. Instead of our natural resources being exhausted, they have barely been touched so far. We have been told by hon. gentlemen opposite that this high cost of living is a world-wide tendency, and that you cannot legislate against a tendency.

That may be good economics; but if you cannot legislate against a world-wide tendency, at least you can change the trend of that tendency within your own jurisdiction in various ways. Now, the high cost of living is a world-wide tendency—to a certain extent; but let me give you first some figures for the last twelve years and then figures for the last five years. In the last twelve years the increase in the cost of living has been as follows in the various countries named: Belgium, 32 per cent; France, 28 per cent; Germany, 28 per cent; Japan, 28 per cent; United States, 43 per cent; Canada, 51 per cent; Great Britain, 15 per cent. Then, from figures which I have taken from an article by Professor Stephen Leacock, whom I consider an authority on this question, it appears that in the last five years, whereas the high cost of living has increased throughout the world at from 10 to 12 per cent, it has increased in Canada by 35 per cent. Why should this be? How is it that in a young country, with its natural resources practically undeveloped, the high cost of living is going ahead in ratio compared with other countries as 35 to 10? 'You cannot legislate against a tendency,' but I contend that this Parliament can pass legislation which will bring down the high cost of living. And I am going to show you how.

In the calendar year 1913 we paid $7,000,000 taxes on foodstuffs entering this country. That is practically $1 for every man, woman and child throughout the length and breadth of Canada, perhaps between $20 and $25 or more for every head of a family. And I believe that the poor man pays more in proportion than his rich

neighbour. When our crops come in in the fall, a man who has spare cash can go to a wholesaler and put in a store which will tide him over until the next fall. But the poor man who is living from hand to mouth has not this amount of ready cash, small though it be, and so he has to pay the high prices that rule when the articles become scarce. The poor man is the one who pays the most of that $7,000,000 of taxes on foodstuffs. We imported foodstuffs from fifty countries, our greatest import being from the United States. From that country last year we imported foodstuffs to the value of $23,072,-160, and paid duties on those imports of $4,860,782.82, the duties on goods from other countries making the total over $7,000,000. But hon. gentlemen opposite may say: Oh, well, the consumer does not pay that. Then, might I ask, who does pay it? Does the Minister of Finance throw $7,000,000 into the treasury and say: Here is the taxes on the foodstuffs for the year? Does the wholesale importer pay it,—a generous man to be sure, but not generous enough, I think, to pay $7,000,000 out of his own pocket into the treasury of this country. Of course, he passes on that $7,000,000 to the retailer with his own profit, to which he is entitled. And are the retailers of foodstuffs so generous that they are going to put $7,000,000 into the treasury? I think not. On the contrary, they are entitled to a profit on the duty and on the wholesaler's profit on that duty, and this they duly collect. Who, then, pays this duty? The man who buys from the retailer pays it in the last analysis, and in the last of the last analysis it is the poor man who pays it.

But some hon gentlemen opposite may say: But even if you reduce the tariff, that will not make foodstuffs cheaper in this country. Well, let me point out to you a very anomalous state of affairs with regard to flour—and no food is more largely or more commonly consumed than flour, and Canada is a great flour-producing country. I think I am within the mark when I say that the producers of flour in this country have absolute control of their markets at this time, and not only that but they have successfully competed in the markets of Great Britain. Great Britain is not a flour-producing country, and one would naturally expect that flour would be dearer there than in Canada. But take the grade of flour which costs $5 a barrel in Winnipeg, $5.10 in Montreal, $6.50 in Halifax, $5.50 in St. Johns', Newfoundland, and you find that it sells for $4.18 in the London market. Is there any hon. gentleman on the other side of the House who can tell how that is accounted for? I will give my version of it and I do not think it can be successfully contradicted. My version is this: The foodstuffs of all countries enter the market of Great Britain free. Consequently, when the flour merchant of Canada goes there he must compete with the world, and so he must bring down his prices to 'synchronize' with those of the old country.

Mr. LALOR: Is the hon. member speaking of retail prices in Canada and wholesale prices in Great Britain?

Mr. CARROLL: Wholesale, I presume.

Mr. LALOR: Retail here, as against wholesale in England?

Mr. CARROLL: No, I do not fall into errors of that kind.

Mr. LALOR: I merely asked if they were the same.

Mr. GEO. E. FOSTER: The hon. member is certain, is he, that his basis is the wholesale price?

Mr. CARROLL: I think so.

Mr. FOSTER: That is very important.

Mr. CARROLL: I do not see what difference it makes. If you pay $6.50 retail in Halifax for an article that you can buy for $4.18 retail in London, what difference is it going to make? It simply shows that the millers of this country have a monopoly here; and that shows that the duty on flour should be taken off. The Government is not doing its duty to the people of Canada when it allows such a state of affairs to go on, when it maintains a high protective tariff which enables the Canadian producer to monopolize the Canadian market and make the Canadian consumer pay twenty-five to thirty-five per cent more for the same brand of flour than is charged the consumer in Great Britain. When such a state of affairs exists there is something wrong, absolutely wrong; and it is a serious matter that this Government should take into its immediate consideration—provided they have at heart the benefit of the majority of the people of Canada, as I have no doubt they have.

But let me hope that they are not so wedded to a policy of high protection as to allow such a state of affairs to continue. I am told that the millers informed the Minister

of Finance that they were making no profits on this flour. I am not in a position personally to say what profits these millers are making, but I am going to give the House the statement, based, I presume, on ripe experience, of a gentleman who wrote some days ago in the Montreal Standard, which I look upon as a very reliable paper. He says that the Canadian people would not eat the inferior grades of flour that they send over to England. That assertion bears its denial on its face, because any one who is familiar with the conditions knows that the very best of everything must be used for export, especially to England where we have to compete with the exports of the whole world. It is pointed out by this gentleman that the very best brands go over to Great Britain—and that is just what I would expect. He points out that several milling industries in this country—the Ogilvy, the Lake of the Woods and the International Milling Company—according to their own published record, made last year a profit of from thirty to sixty per cent upon their capital. What their capital is, no one knows but themselves. It may be half water; two-thirds of it may be water, and the other third actual cash. I do not make the assertion that this is the case, but it may be so; at any rate they made a profit on their actual capital of from thirty to sixty per cent.

Mr. BURNHAM: They did not pay their shareholders that.

Mr. CARROLL: This statement was sent broadcast throughout the country.

Mr. BURNHAM: I know it is not true.

Mr. CARROLL: Surely the big milling industries are not foolish enough to send broadcast throughout the country a statement which is not in their own interests if it be not true. This gentleman gives citations to show that the very best Canadian flour is sent to the old land. I am really sincere when I appeal to the Minister of Finance and ask him if the conditions which exist should be allowed to continue? Is it a fair deal to the Canadian consumer —and we are all consumers of flour—is it a fair deal to the people of Canada as a whole that through the machinations of the flour interests of this country they should be forced to pay from $1 to $2 more on a barrel of flour than is paid by consumers across the Atlantic? This is something which should commend itself to the serious consideration of my hon. friend the Minister of Finance.

[Mr. Carroll.]

I think I have made a sufficiently strong case to show that the high duty on flour coming into this country makes the price of that flour higher. The same thing applies to boots and shoes and everything else we wear. If we want to buy a pound of soap we have to pay a tax on it; if we want to buy a pair of shoes, we must pay a tax on them; if we buy wearing apparel, we must pay a tax on it; if we buy a hat, a cap or a collar, we must pay a tax on it. But if we want to import unset diamonds from the United States or from some other country, we get them free of duty. Is that a fair deal?

Mr. BURNHAM: No.

Mr. CARROLL: I am glad the hon. member for West Peterborough agrees with me on one point at least. Unquestionably this is a raw deal to the consumer. The price of foodstuffs is going up, but wages are not going up in the same ratio. The reason is not far to seek. The present financial stringency in this country—due to what I do not know—keeps the wages down and makes for unemployment. In a paper dated Ottawa, January 29, 1914, I observe that Controller McNeill on that day recommended to the Board of Control that the city should make an effort to provide work for the large number of unemployed persons in Ottawa. He said that in Dalhousie ward alone 700 families—not 700 people, Mr. Speaker, but 700 families—were in a state of poverty. If the hon. member for Brantford were in the House I would ask him whether that is an indication of good times. Certainly it is not.

Mr. WILCOX: Is it true?

Mr. CARROLL: Does my hon. friend say it is not true? I presume that a controller elected by the citizens of Ottawa would not give the public press such a statement if it were not true. Does the hon. gentleman who interrupted me think that he would?

Mr. WILCOX: An announcement was made in the Liberal press of Windsor that a large number of persons were out of employment. The city council appointed a committee to inquire into the conditions, and they found that only two families in the whole city were in want.

Mr. CARROLL: That may be absolutely true, but it has no reference to the case which I put before the House. A controller of the city of Ottawa made the

assertion that in one ward alone 700 families were in want. I wish to assure the hon. member for North Essex that I am not one of those who would attempt to show that there was anything rotten in the state of Denmark if the rottenness did not exist. I congratulate the hon. gentleman upon the fact that there are only two families in the city of Windsor who are in want; even that is bad enough. It is difficult to say just to what that may be attributed—probably to the high cost of living. My hon. friend sits there and does not plead with the Minister of Finance to take this cumbersome duty off and give the two poor families in the city of Windsor the same chance as the British poor.

Mr. WILCOX: How does my hon. friend know what I do with the Minister of Finance?

Mr. CARROLL: You certainly do not do it in the light of day, where it would be more effective. If my hon. friend is doing anything, his efforts are apparently not meeting with success.

Mr. LALOR: Take the duty off flour and put it on steel.

Mr. CARROLL: I explained my position on that point to the satisfaction of any reasonable gentleman. People may disagree as to our present system of cold storage, which enhances the cost of living. When cold storage was introduced in this country we thought it was a godsend, but I fear it has not developed on the line we expected. Further, the cost of living is enhanced by a protective tariff. I would like to hear some hon. gentleman on the other side disprove that statement.

Mr. LALOR: Certainly, in the interests of farmers.

Mr. CARROLL: If we give the farmers free agricultural implements—and I understand the Liberal party will when we return to power—they can do without protection on their food stuffs.

Mr. LALOR: For fifteen years you failed to do it.

Mr. CARROLL: We must not forget that neither the farmers, the steel men nor the coal men are the only people in this country.

Mr. SCHAFFNER: Did not Mr. Sifton, in 1896, as he travelled up and down the country, promise that if the Liberals came to power they would give free agricultural implements?

Mr. CARROLL: Did not my hon. friend travel up and down the West two or three years ago and promise the same thing?

Mr. SCHAFFNER: I never did.

Mr. CARROLL: I do not know what Mr. Sifton did.

Mr. SCHAFFNER: I do.

Mr. CARROLL: He is a man against whom I have nothing much to say, except that he was so inconsistent that he eventually found himself in the fold of the Conservative party. To return to the high cost of living; it is enhanced by monopoly and is increased still further by the mother of monopolies, a high protective tariff. There are other phases of this question with which I would like to deal, but I have already taken up too much time.

Mr. O. J. WILCOX (North Essex): I understand the Budget debate upon which we are now launched, to present one of the few opportunities on which hon. members on both sides of the House can express their views in regard to the national, international, and party issues that are before Parliament and this country. Under the rules of the House applying to this debate, it is within the rights of hon. members to give expression to their political opinions, and to the faith they hold in the political party with which they have become identified. It is also within their rights to give expression to what they believe to be the weaknesses, if any, the fallacies, if any, and the inconsistencies of their opponents. Therefore, we may conclude that the Budget debate is more political in its character than possibly any other debate that obtains in this Parliament. Under our constitutional form of government we have a party system, and I do not believe that human ingenuity has yet devised a system of government, having due regard to all its weaknesses, that is the equal of the party system.

Sir WILFRID LAURIER: Hear, hear.

Mr. WILCOX: I believe that a party system, having due regard to the interests of the masses of the people, is the best; and I am sure that my right hon. friend who leads the Opposition will agree with me at least in the statement—

Sir WILFRID LAURIER: Hear, hear.

Mr. WILCOX—that when we have a party system of government as we have in this country, the principles of common equity demand that each political party in

its turn shall have the right to govern the destinies of this great country. As a young member of this House who does not take up very much of its time in offering my opinions, rather giving way to men of older years and greater political experience—viewing the actions of my hon. friends opposite during the last two sessions I cannot help coming to the conclusion that they conceived the idea that they had a divine right to rule the destinies of this country; and now that we of the Liberal Conservative party have served our due course of time in opposition, they are not willing to give to us the right to which we are entitled. I believe my right hon. friend, whom I confess I admire in many respects, will agree that that must be and will always be the principle upon which this country will be governed. I confess, Mr. Speaker, that when I first came to this House I was not a partisan in politics. I do not think I am a partisan to-day.

Some hon. MEMBERS: Oh, oh.

Mr. WILCOX: That is in the broader sense of the term. If I would place the construction upon that term 'partisan' which my right hon. friend the leader of the Opposition placed upon it in 1896, 1897 and 1898, when he was dismissing Liberal-Conservative office-holders, I might be considered a partisan, because the construction that he placed upon the term was that any man was a partisan who took a part in politics other than voting. But, in the broader sense of the term, I do not think I am a partisan. I must confess that there are times in this House when it seems to me that party feeling and party strife and party bias are carried altogether to extremes if we have regard to the best interests of the people and of the country in which we live.

I think that hon. gentlemen on both sides of this House will agree with me in the statement that my hon. friend the Minister of Finance (Mr. White) made a very able and clever presentation of his Budget the other day setting forth the conditions that exist in the Dominion. I desire to incorporate in the few remarks which I propose to make this afternoon, the statement of the Minister of Finance with regard to the finances of the Dominion. He said:

> A revenue of $163,000,000 and an expenditure of $126,500,000 leaves a surplus of revenue over and above the amount required for expenditure upon current account of $36,500,000.
>
> The surplus for the year, then, will be thirty-six million five hundred thousand dollars as compared with fifty-five million dollars last year.
>
> In connection with this matter of surpluses, it may not be out of place for me to point out that from the year 1902 forward there have been substantial surpluses of revenue over current expenditure, running from $14,000,000 in 1902-3 to $22,000,000 in 1909-10, to $30,000,000 in 1910-11. For the year 1911-12 our surplus was $37,000,000, for 1912-13, as I have stated, $56,000,000, and for last year, 1913-14, the figure which I have just given, $36,500,000. So we have had during the last three years the largest surpluses in the financial history of the Dominion.

The point I desire to make is this: We boast of the surplus in this country. I think we have a right to boast of it under present conditions. Notwithstanding the fact that this country has passed through what my hon. friend termed a trade cycle, a time of commercial depression, in the last few years, we have this remarkably gratifying financial condition which was so well set forth by my hon. friend the Minister of Finance. I know that my right hon. friend, the leader of the Opposition, will agree with me when I make the statement that in all countries there are times of commercial expansion and of commercial depression. It has been so in Canada ever since this country has had a Parliament. It will be so as long as this country is a country and the same condition prevails through the whole civilized world. When the Finance Minister is able to bring down to this House, in this year of grace, 1914, a surplus of $36,500,000, which is a greater surplus than was ever brought down by a Minister of Finance under the Government of our hon. friends opposite in the last fifteen years, the people will accept that as a condition which is satisfactory.

As a Liberal-Conservative, there have been times in the history of this country, with its gratifying advancement and development, when I have regretted the position taken by the Liberal party upon great national issues. My hon. friend (Mr. Carroll)—I shall have something to say in connection with his remarks in a moment or two—has added to the belief that I already had and that is that our hon. friends opposite from a political point of view have proven themselves to be past grand masters in the art of putting up a false case before the people of Canada. What an exhibition of economic fallacies we have had this afternoon! They can put up a bogus man of straw and knock him down again just like Punch and Judy. You have all been present at a Punch and Judy show; Punch will get up and Judy will fall down and the first thing you know Judy comes to the top

and there is nothing left of Punch. They can profess one thing in opposition, do another thing in power and succeed in gaining the approval of a very great percentage of the people of the country to a degree that has not been exceeded by any political party in any civilized or uncivilized country that I have ever read of. Now, I am not speaking harshly.

5 p.m. Some hon. MEMBERS: Oh, oh.

Mr. WILCOX: I am just expressing my view in the plainest, commonest language I can find because I want my hon. friends to understand just exactly what I mean. My hon. friend from Cape Breton, to my mind, made a remarkable speech. I know that he will not consider me discourteous when I say it was more remarkable for what he did not say than it was remarkable for what he did say. He started out by parading the advantages of a protective policy. I had a notion to say to my hon. friend: You should be on this side of the House. Down around Sydney there is an industry which receives protection at the hands of this Government, and in 1897, he says, there were four thousand people in Sydney and now there are twenty thousand. That is an industry which has received what I would call double-dyed Tory protection. The bounties ran out a few years ago it is true, but they had received $4 a ton and a bounty besides on the manufacture of steel rails. And, we are told, that under this principle of protection this industry has grown in Sydney until Sydney can now boast of having twenty thousand people where there were only four thousand people a few years ago. So much for the protective principle. But, where I blame my hon. friend (Mr. Carroll) is, that when he gets out of his own local sphere he is not willing to allow to others in this country the same principle that he wants applied to Sydney. He entered into a tirade against my hon. friend from Brantford (Mr. Cockshutt); he entered into a tirade against me in the business in which I am engaged, namely, the farming industry of this country. He said to me: You as a farmer shall have no protection. Am I not a producer as much as any of those engaged in any other industry in this country? Then, why am I not entitled as a producer to have the benefits which flow to industries that have been established under the fiscal system we have in Canada?

It was interesting to me to hear my hon. friend (Mr. Carroll) pleading for protection for the steel industry, and I think he did the right thing, and I congratulate him. That is the principle to which I adhere, and, whoever the hon. member may charge with belonging to the trusts and the mergers, he cannot charge me with that, for I never was engaged in any other business than that of farming, and I never in my life have owned five cents worth of stock in any company. If any man is free to give an unbiased opinion upon the question of tariff, I think, so far as my ability enables me, I am able to express my opinion free from any bias on one side or the other. It was most interesting to me to hear my hon. friend from Cape Breton (Mr. Carroll) take that inconsistent position. He said: I am in favour of a moderate protective policy for the steel industry, but agricultural implements must be free, and notwithstanding that the farmers of this country produce five hundred million dollars of wealth from the land, they must have no protection; all the protection must be given down around Sydney, N.S. Does not the leader of the Opposition think that that is a pretty narrow view for his supporter from Cape Breton to take? I hope my right hon. friend will take the hon. member into his inner counsel and give him a little talking to for being so inconsistent.

There are, in my opinion, two or three epochal periods in the history of the Dominion of Canada. At the opening of my remarks this afternoon I made an announcement as to the part I should take in this debate, and I stated that in my view the Liberal party have been wrong on every side of every question upon which depended the future growth and development of Canada. We have heard to-day about the opening of the West; and hardly a debate takes place in this Parliament that reference is not made to that subject. I trust the House will forbear with me while I refer to that question briefly, because I desire to have incorporated in my address the words of a few leading men of the Liberal party with respect to the great undertaking of the Canadian Pacific railway, which really did develop the West. I remember sitting here some little time ago, giving strict attention to an address that was delivered here by my hon. friend from South Renfrew (Mr. Graham), and in approaching the question of our great pioneer Transcontinental railway, he said, and he told the truth, and I know the right hon. the leader of the Opposition will agree

that he did: 'It would have put back the development of Canada for a generation had not the Canadian Pacific railway been the success it has been.'

I believe that view as to the Canadian Pacific railway prevails not only on this side of the House, but on the other side as well, and that it is entertained by the people of Canada generally. I have here a clipping from a supplement of the Windsor Record. That newspaper was always a great admirer of Sir Wilfrid Laurier, and I do not blame it for that. The Windsor Record always put my right hon. friend's policy very plainly, sometimes I think a little too plainly, before the people. The right hon. the leader of the Opposition was in Chatham, and he delivered a speech there before five thousand people when he announced his Grand Trunk Pacific railway scheme. The hon. Wm. Paterson, who, we regret, is not with us, addressed that audience, and he made a statement which I shall quote, because it has been argued in that part of the country that the Liberal party was in favour of the construction of the Canadian Pacific railway, but here is what the late Hon. Wm. Paterson said:

> We have at present a transcontinental road in the Canadian Pacific railway, a railway which we once opposed and fought against, but which we now rejoice was constructed when it was.

That is a plain, unvarnished statement of a leading light of the Liberal party, showing the attitude taken by the party in regard to this great national work. Therefore, those who may read what I have to say upon this occasion will not pay much attention to what the lesser lights of the Liberal party have said when a leading light, before 5,000 people, will say: Once we opposed that road, but to-day we are glad that it was constructed when it was. Is there any other authority upon this point? Without preface, I desire to quote the Hon. Mr. Fielding. There are not within the confines of the Dominion of Canada many Liberals who will not believe what the ex-Minister of Finance says, for I do not think I am exaggerating when I say that if in the Liberal party there is one man more than another who has been looked up to during the past fifteen years, it is the Hon. W. S. Fielding. In 'Hansard' of 1903, page 8591, Mr. Fielding spoke as follows:

> Perhaps there were some mistakes of location, perhaps some mistakes in the land policy,

> and in the clearer light of to-day we may be able to see that things were done then which had better been left undone. I am disposed to think that perhaps those things may after all have been only incidental to the difficulties of the time and to rapid construction. I for one do not hesitate to say, in the light of experience, that the Liberal party did entertain alarm and anxiety, which have been proved in the end not to have been fully justified. I for one have no disposition unfairly to criticise to-day. I frankly admit, as one who was then a young man, that I was led to entertain alarm and anxiety. Today I say that the policy of the Conservative party, subject to these qualifications which I have mentioned, has been justified, and in that respect the Conservative party has made a record which they can look back to with pride.

That, I think, is quite sufficient to show that the attitude taken by the Liberal party in those early days was not friendly to this great work. What would have been the consequence if that road had not been constructed when it was? If it had not been for that great railway, which has opened up the West, it would not have been the case when my hon. friends came into power in 1896 that in the southern part of Manitoba a new settler could step in anywhere and be within sixteen miles of a railway. A few days ago I was reading in 'Hansard' a statement made by my hon. friend the member for Edmonton (Mr. Oliver), who if he had been sitting beside my hon. friend who has just spoken (Mr. Carroll), would have pulled his coat when he was talking about the steel industry. The hon. member for Edmonton said:

> I looked over this country, in 1896, and I failed to find anything upon which could be based the growth and development and prosperity of this country.

I say, as a Canadian, as a young member of this House, shame on the man who will take the credit for what has been done by the pioneers in this country, the men who have laboured with plough and with horse, who have laid the foundation upon which this land rests and who have given us this great country as we have it to-day. Upon that great undertaking, which meant so much for the development of this country, our hon. friends opposite were entirely wrong; and if the people of Canada had taken their advice, conditions would not be as they are to-day.

We come to another great issue in the politics of Canada. In 1891, the battle of unrestricted reciprocity was fought in Canada. I was then a young man, only a boy. I did not have a vote, but night after night in my county I attended the meetings of

my right hon. friend's friend, Sir William McGregor. He spoke to large gatherings of people, and the policy which he advocated was the policy of absolute free trade with the United States. Look, he said, at those rascals, the custom houses; put the rascals out; put me in, and the rascals will be put out. It caught. He was put in, but the rascals were not put out. It was a matter of note, however, in many parts of Canada that a number of friends of my right hon. friend and his candidate upon that occasion were so convinced as to the sincerity of my right hon. friend that they loaded up the stuff that they had manufactured before the election and went across to Detroit and refused to pay the duty. We have the evidence of succeeding events. The Hon. Edward Blake, one of the greatest constitutional lawyers Canada has ever seen, gave his opinion that if the policy of my right hon. friend on that occasion had succeeded, this country would not be as it is, with each heart pulsating with loyalty to His Majesty the King, but would be part and parcel of the United States of America. Thank fortune, however, my right hon. friend upon that occasion did not have his way, and Canada has gone on rejoicing and has remained up to the present time, and will we hope forever remain, a part and parcel of the great British Empire.

Now, just on this point of—well, I do not want to be discourteous; but I don't think I would be taken as discourteous if I were to say—this slander of the manufacturers of this country. If there is anything that I abhor it is seeing my hon. friends opposite ballyragging the manufacturers of this country from one end of it to the other with hot air,—and shaking hands with them under the seat. But the people of this country are getting onto it. It worked in 1896, but I do not believe it will work again. The people want something tangible now. This sending of commissioners to Montreal to meet the manufacturers and tell them that they will not be hurt, and my right hon. friend's candidates hollering and proclaiming the gospel of free trade, will not work any more. There is an old adage that a burnt child dreads the fire,—and under this policy of my right hon. friend the farmers got the hot air and the manufacturers got the dough. When Mr. Fielding came back from Washington after the celebrated pact had been negotiated, he went down to Montreal to speak and he told the truth; if I had been there I would have patted him on the back. He was speaking of the manufacturers being able to compete with the older-organized industries of the United States and this is what he had to say:

> It is not so with the manufacturers. The Americans, with their greater power of capital and organization, can beat us as a rule. And if we have free trade, manufacturers would undoubtedly have to close up their factories in Canada. We want manufacturers here. You manufacturers were told in 1897 that if you returned the Liberal Government, dreadful things would happen.

My hon. friend, the Minister of Finance, declares for a policy of moderate protection. And what were the words of Sir John Macdonald when his famous fiscal system was introduced in this House on the 8th of March, 1879? He said: If we had a moderate protective system in this country we could develop our capital and could occupy a higher position amongst the nations of the earth. It follows that as time passes and our industries become developed they will not need as great protection as at the beginning. The Liberal-Conservative party has followed that policy consistently for forty-seven years, and upon it we stand to-day.

I want to make another remark before I touch the main kernel of my address. The third epoch or period in the development of our country, I think, was when the battle of our fiscal independence was fought and won on the 21st September, 1911. You know, there is an old saying—I think it is a poet who says it—that everything comes to those who wait. My right hon. friend undertook to do something for the farmers of western Canada; I think his policy was framed for that purpose. And I want to say here, as a farmer from the province of Ontario, that the farmers of the West have my sincere sympathy.

Sir WILFRID LAURIER: And that is all.

Mr. WILCOX: More than that; but my right hon. friend did not even give them that. I recognize their pioneer conditions. But I recognize also what Canada has done. And I do not think hon. gentlemen opposite are doing their cause justice—I speak of my hon. friend from Assiniboia (Mr. Turriff), my hon. friend from Humboldt (Mr. Neely) and others—when we all know, and the right hon. leader of the Opposition knows it as well as anybody, that they are only hollering 'wolf! wolf!' when there is not any wolf. We all recognize the conditions in the West, and every one of us,

Liberal or Conservative, is willing to put his shoulder to the wheel to do what is necessary in the interests of the farmers of the West, and not only of the farmers but of western manufacturing industries as well. But I am not so sure that there is a common ground upon which we can reach a conclusion that there is this terrible condition that is pictured day by day by hon. members opposite. I do not want to take any credit from the West to which the West is entitled. But is it not a fact that if they are frosted out we are only too glad to buy them more seed; if they are hailed out we are willing to help them? We have built transcontinental railways to traverse the West including the Winnipeg-Moncton line proposed by the right hon. leader of the Opposition which will cost this country $296,000,000. We are building them elevators; we are doing everything that a Government can do, in reason, to help that western country to obviate as far as possible anything that militates against their development. But I was born and raised in the woods of Ontario. My grandfather crossed the briny deep of the Atlantic and settled in the woods of Essex seventy-eight years ago, in the virgin forest, where he had to master the mighty oak and elm; and not only that but had to drain the soil as all the rest had to do it. And I submit that pioneer conditions prevailing in western Canada are not to be compared for difficulty with the pioneer conditions which had to be faced in Ontario and in Quebec too.

Now, the right hon. leader of the Opposition had a large delegation down here in which he became intensely interested—altogether too much so. It appeared here on the 16th December, 1910. A Mr. Green read one of the leading papers on that occasion. I am inclined to the view that my right hon. friend was frightened when these farmers came here by the thousands from the wild and woolly West, where the gophers roam by day and the coyotes howl by night, and here is one thing that scared him. I find this on page 18 of the report:

> What can this Parliament do for this delegation?

It was not a question of what this Parliament could do for this delegation. He went on to say:

> What can this delegation do for this Parliament?

I wish to quote further from the same paper, and I ask hon. gentlemen of this House to give what I read their careful, earnest and serious consideration. After they have meditated upon it by day and by night they will, I am sure, come to the conclusion, as I do, that conditions cannot be quite so bad in the West as hon. gentlemen opposite, who bewail the great gloom that exists in that part of the country, seem to think they are: One would almost think that after September 21, 1911, a great fog had settled upon western Canada. But the sun still shines in the West, as it does in Ontario; the gloom is concentrated, so far as I know, only in the benches of hon. gentlemen opposite. I ask the attention of the House to Mr. Green's words:

> Let me in closing refer to the vast aggregate wealth represented by this delegation, each member of the western part of it, we estimate, has a half section of land valued with its equipment at at least $10,000. There are 30,000 in our western organizations, which means an investment of $300,000,000.

The members of that delegation which came from the great western country where, as our friends opposite say, there is so much gloom and depression, made the assertion that they are worth $300,000,000. Reading:

> If, as our friendly rivals declare, we are only 25 per cent of the western farmers, we would represent the enormous aggregate of $1,200,000,000, and I think we may fairly claim to be the articulate mouthpiece of the whole.

I would point out to our friends from the West, upon whichever side of the House they may sit, that when we recognize that only a few years ago, when, the bison, the buffalo and the red man roamed over the western prairies, the Liberal Conservative party sent through that country a double line of steel rails, with all its branches and affluents; when we realize that twenty years afterwards a delegation comes from that western country and claims to represent directly $300,000,000 of wealth and an aggregation of wealth of $1,200,000,000, surely we must come to the conclusion that conditions cannot be as bad as our friends opposite wish to make us think they are.

Not only has that development taken place, but there has been a splendid advance in the industrial growth of western Canada. I have examined the census statistics of 1911 with a view to ascertaining whether the provinces of the West are enjoying any measure of the benefits of our industrial system which are being realized in the East, and I wish to present the following summary to the House:

Summary showing Industrial Growth of Prairie Provinces, as per Census, 1911.
For year 1910.

Province.	Capital Invested.	Earnings.	Products.
Alberta.. ..	$21,508,664	$ 3,506,057	$15,684,717
Manitoba. ..	38,125,027	9,481,545	44,744,347
Saskatchewan.	4,958,358	1,494,160	4,557,198
	$64,592,049	$14,481,762	$64,986,262
British Columbia.. ..	46,386,682	7,341,948	27,641,036
	$110,978,731	$21,823,710	$92,627,298

Not only are Ontario and the other provinces devoloping very rapidly under our present fiscal system, but these figures seem to me to show conclusively that the western provinces as well are beginning to take on a new life in the development of their industries, and I am of the opinion that they will rank fairly with other portions of the country in beccming great industrial as well as agricultural provinces.

I have quoted the words of Sir John A. Macdonald, and I wish to speak for a moment or two of the development which has taken place under the National Policy, particularly in that part of the country from which I come, and in doing that I do not wish to be considered too local. The Hon. Edward Blake said that it was the duty of every representative to voice the opinions of the particular district he represented. On the 8th of March, 1878, Sir John A. Macdonald (page 857 of 'Hansard') said:

If we had a protective system in this country, if we had a developed capital, we could, by giving our manufacturers a reasonable hold on our home trade, attain a higher position among the nations.

In the same speech he said:

I do not mean that we should adopt a tariff like that of the United States, but one such as the necessities of Canada demand.

And still further on:

It can well be understood that a judicious tariff might on the whole be a moderate tariff.

On page 194 of 'Hansard', 1894, the Hon. George E. Foster is reported as follows:

If there is to be a protective system at all, everybody knows that it must be higher in its inception than as the years gradually pass, when industries have become established and when the industrial development of the country grows apace.

I take the following from the Census report of 1911, which gives a resume of the expansion which has taken place under the National Policy. As these figures are all taken from the census report, I would like to put the memorandum on 'Hansard' without reading it, if the House consents:

The urban population of the Dominion increased during the last decade from 1,771,435 to 2,845,073 for cities, towns and villages of 1,500 and over, and the rural and urban population from 5,371,315 to 7,206,643. The urban capital of manufactures increased during the same period by $581,501,241, and the rural and urban by $800,667,122. The urban earnings of wages and salaries increased by $103,008,306, and the rural and urban by $127,759,066. The urban products increased by $540,415,384, and the rural and urban by $684,922,264. The increase in the urban products of the manufactures of Alberta in the decade was $14.634,281, of British Columbia $16,776,854, of Manitoba $34,786,482, of New Brunswick $10,131,853, of Nova Scotia $25,882,919, of Ontario $275,513,965, of Quebec $158,512,912, and of Saskatchewan $4,298,558. In urban places of Prince Edward Island there was a decrease in the manufactures of $122,440.

A summary of table XIII for cities, towns and villages of 1,500 and over is given herewith for capital, earnings and products in 1910, by provinces, together with their rural and urban totals for Canada, viz.:

Provinces.	1910.		
	Capital.	Earnings.	Products.
	$	$	$
Alberta.....	21,508,664	3,506,057	15,684,717
British Columbia.....	46,386,682	7,341,948	27,641,036
Manitoba.....	38,125,027	9,481,545	44,747,347
New Brunswick.....	22,125,518	5,531,212	23,084,334
Nova Scotia..	67,162,011	7,743,529	40,165,263
Ontario.....	478,035,563	100,662,393	459,576,759
P. E. Island..	742,184	209,081	946,055
Quebec.....	249,892,475	57,385,448	255,367,508
Saskatchewan.	4,958,358	1,494,160	4,557,198
Canada—urban.....	928,936,482	193,355,373	901,770,217
Canada—rural and urban.....	1,247,583,609	241,008,416	1,165,975,639

Also a list of the industries in the Windsor, Sandwich and Walkerville district:

Advance Machine Co.
Agnew Electrical Welding Co.
American Auto Trimming Co.
American Standard Jewelry Co.
Anthony Fence Co.
Bentrovato Co., toilet preparations.
Berry Bros., varnishes.
Bishop Fur Co.
British American Brewery.

Burlington-Windsor Blanket Co.
Canadian Bridge Co.
Canadian-Detroit Lubricator Co.
Canadian Commercial Car Co.
Canadian Moloney Electric Co.
Canadian Alkali Co.
Canadian Postum Cereal Co.
Canadian Salt Co.
Canadian Winkley Co., brass goods.
Canadian Sirocco Co., fans and blowers.
Canadian Roofing Mfg. Co.
Dale Iron Works.
DePree Chemical Co.
Dominion Malleable Range Co.
Dominion Motors, Limited.
Dominion Stamping Co.
DeVilbiss Mfg. Co., automizers.
Detroit Graphite Co.
Detroit Steel Products Co.
Eansor & Co., carriages and auto bodies.
E-M-F Co., of Canada.
Eaton & Co., dye stuffs.
Essex Launch Co.
Ensign Remedy Co.
Excelsior Granite and Marble Works.
Eisenberg & Co., cigars.
D. M. Ferry & Co., seeds.
Fisher Body Co.
Ford Motor Co., of Canada.
Fox Bros. & Co., wood mantels.
Gignac Bros., cigars.
Gramm Motor Truck Co.
Girardot Wine Co.
Grinnell Bros., pianos.
Heinz Electrical Co.
Heinn Co., loose-leaf ledgers.
Heller-Aller Co., windmills.
Horton & Meedel, soda water works.
Hupp Motor Car Co.
Hoover Suction Sweeper Co.
Ideal Mfg. Co.
Ideal Mat Co.
Imperial Silverware Co.
Ideal Packless Valve Co.
Interstate Remedy Co.
F. F. Ingram & Co., perfumes.
E. W. Jeffress Co., extracts.
Joseph Jines, soda water.
Kent Canning Co.
Kelsey Wheel Co.
Kerr Engine Co.
Leather Label Overhaul Co.
Lufkin Rule Co.
Leggett-Platt Spring Bed & Mfg. Co.
La Cottel Mfg. Co.
Leach Chemical Co.
L. J. LaFontaine, furs.
LaForge, A., concrete machines.
McCord Mfg. Co.
McGregor Banwell Fence Co.
John McNee & Sons, cigars.
McKee Lumber Co.
McLean Lumber Co.
Masse Industrial Co., inks, cements, etc.
Meisner Soda Water Works.
Motor Street Cleaning Co.
Murray Brass Co.
Mantello Cigar Co.
Mothersill Remedy Co.
Miller Lighting Co., acetylene machines.
National Cable & Mfg. Co.
National Spring Bed & Mfg. Co.
Nickel Plate Stove Polish Co.
Ontario Asphalt Block Co.
Orleans Vacuum Cleaner Co.
Page Wire Fence Co.
Palmer Medicine Co.
C. Pangborn & Son, welding.
Parke, Davis & Co., drugs.
Peabody Co., Limited, overalls.
Penberthy Injector Co.
Perforated Hone Co.
John Piggott & Sons, lumber.
Power Specialty Co.
Remington Arms—Union Metallic and Cartridge Co.
C. H. Rundle & Son Co., liniments.
R-C-H Motor Co.
W. E. Seagrave, fire apparatus.
Seely Mfg. Co., perfumes.
Shoop Family Medicine Co.
Standard Paint & Varnish Co.
Frederick Stearns & Co., drugs.
Schrieves Medicine Co.
Sparks Washington Co., automobile fans.
Swedish Crucible Stele Co.
C. W. Schimmel, Mfg. chemist.
Frederic B. Stevens, foundry facings.
Toledo Computing Scale Co.
Tudhope Motor Co.
Trussed Concrete Steel Co.
Tate Electrics, Limited.
O. & W. Thum Co., fly paper.
Tiger Mfg. Co.
United States Steel Corporation.
Vanderhoof & Co. medicine.
Victor Steel & Wood Products Co.
Vincent Steel Process Co.
Hiram Walker & Sons distillery.
Walker Pant & Shirt Co.
Walkerville Brewing Co.
Walsh Bros., brooms and brushes.
Wilt Twist Drill Co.
Windsor Machine & Tool Works.
Windsor Carriage Works, M. L. Menard.
Windsor Sash & Weight Foundry.
Windsor Awning & Tent Works.
Waterman-Waterbury Co., furnaces.
A. E. White Machine Works.
Whittaker Stove Works.
Windsor Boiler Works.
Windsor Mfg. Co., auto chains.
Windsor Paper Box Co.
Windsor Pearl Button Co.
Windsor Overhaul Co.
Windsor Turned Goods Co.
J. T. Wing & Co., mill supplies.
Zenner Disinfectant Co.

The census report shows that $1,247,583,609 is invested; 515,203 persons are employed, whose net earnings amount to $241,008,416; and the value of the output is $1,165,975,639. A comparison of the values of products in twenty years is shown in the following table for municipal cities and towns of 10,000 persons and over for the years 1890, 1900 and 1910, as taken for the censuses of the succeeding years:

[Mr. Wilcox.]

Municipal Cities and Towns.	Population in 1911	Value of Products in			Increase per cent of values in		
		1890	1900.	1910.	1890 to 1900.	1900 to 1910.	1890 to 1910.
		$	$	$	p.c.	p.c.	p.c.
Montreal	470,480	67,654,060	71,099,750	166,296,972	5·09	133·83	145·81
Toronto	376,538	44,963,922	58,415,498	154,306,948	29·92	164·15	243·18
Winnipeg	136,035	5,611,240	8,616,248	32,694,349	53·55	279·45	482·65
Vancouver	100,401	1,895,216	4,990,152	15,070,105	163·30	202·20	695·16
Ottawa	87,701	8,822,051	7,638,688	20,924,331	−13·41	173·92	137·18
Hamilton	81,969	14,044,521	17,122,346	55,125,946	22·91	221·95	292·51
Quebec	78,810	14,800,360	12,779,546	17,149,385	−13·65	34·19	158·71
Halifax	46,619	7,198,143	6,927,552	12,140,409	−3·76	75·25	68·66
London	46,300	8,255,557	8,122,185	16,273,996	−1·26	100·36	97·84
Calgary	43,704	258,900	599,444	7,751,011	131·53	1,193·03	2,893·83
St. John	42,511	8,131,790	6,712,769	10,081,667	−17·45	50·19	23·97
Victoria	31,660	4,547,186	2,617,573	4,244,034	−42·44	62·14	−6·67
Regina	30,213	.....	.....	1,313,274	.....	.....	.....
Edmonton	24,900	.....	243,778	4,493,304	.....	1,743·19	.....
Brantford	23,132	4,280,999	5,564,695	15,866,229	29·98	185·12	270·62
Kingston	18,874	3,113,573	2,045,173	3,860,142	−34·31	88·74	23·98
Maisonneuve	18,684	3,653,584	6,008,780	20,813,774	64·46	246·39	469·68
Peterborough	18,360	2,594,996	3,789,164	10,633,119	46·02	180·62	309·75
Hull	18,222	1,287,292	3,182,050	7,259,301	147·19	128·13	463·92
Windsor	17,829	953,030	3,260,947	3,771,706	32·31	199·12	295·77
Sydney	17,723	335,745	631,396	9,395,017	88·06	1,387·97	2,698·26
Glace Bay	16,562	.....	.....	132,500	.....	.....	.....
Fort William	16,499	.....	111,508	534,097	.....	378·98	.....
Sherbrooke	16,405	2,043,094	2,252,293	3,934,510	10·24	74·64	92·57
Berlin	15,196	1,825,722	3,307,513	9,266,188	81·16	180·15	407·53
Guelph	15,175	2,973,927	3,689,183	7,392,336	24·05	100·37	148·57
Westmount	14,579	.....	102,500	1,541,802	.....	1,404·19	.....
St. Thomas	14,054	2,392,792	2,248,846	3,573,820	−6·02	58·92	49·36
Brandon	13,839	733,800	541,327	2,330,430	−26·23	330·50	217·58
Moosejaw	13,823	.....	135,040	738,818	.....	447·11	.....
Trois Rivières	13,691	977,496	1,187,373	2,472,040	21·47	108·19	152·90
New Westminster	13,199	1,408,752	1,029,722	2,853,774	−26·91	177·14	102·57
Stratford	12,946	1,491,462	1,935,176	5,133,840	29·75	166·29	244·22
Owen Sound	12,558	1,582,518	1,173,477	2,852,267	−25·85	143·06	80·23
St. Catharines	12,484	2,444,680	2,000,543	6,024,217	−15·30	190·95	146·42
Saskatoon	12,004	.....	.....	847,354	.....	.....	.....
Verdun	11,629	.....	.....	229,299	.....	.....	.....
Moncton	11,345	1,973,536	1,291,036	3,233,565	−34·58	150·47	63·85
Port Arthur	11,220	394,045	105,000	973,668	−73·35	827·30	147·10
Charlottetown	11,198	1,417,346	900,430	738,228	−36·47	−18·01	−47·91
Sault Ste. Marie	10,984	107,510	738,472	1,002,834	586·88	35·81	834·78
Chatham	10,770	2,116,161	2,714,977	5,023,560	28·29	85·03	137·39
Lachine	10,699	1,358,325	2,909,847	6,295,716	114·22	116·36	863·49
Galt	10,299	2,621,310	2,225,343	6,252,600	−15·11	136·04	100·38

Ten cities only in Canada show greater percentage in increase in industrial products than Windsor. These are Winnipeg, Vancouver, Calgary, Maisonneuve, Peterborough, Hull, Sydney, Berlin, St. Mary's, Sault Ste. Marie, and Lachine. Windsor's percentage of increase in products is 150 per cent greater than Montreal, 52 per cent greater than Toronto, 3 per cent greater than Hamilton, 227 per cent greater than Halifax, 25 per cent greater than Brantford, 51 per cent greater than Stratford, 49 per cent greater than St. Catharines, 48 per cent greater than Port Arthur, 58 per cent greater than Chatham; and its industrial expansion has been brought about by the fiscal system which has been the work and progeny of the Conservative statesmen.

I do not wish to take issue with what my hon. friend from Cape Breton (Mr. Carroll) has said in regard to the steel industry, because he has come out as a strong supporter of the principle of a moderate protection for that industry. I presume that it is known to the House that the United States Steel Corporation has bought 1,650 acres in the riding which I have the honour to represent, and that they have announced their intention of putting up a $20,000,000 plant. On the day this announcement was made the Detroit Journal of January 4, 1913, said:

> The Canadian tariff has forced this decision. The protective policy has brought this vast industry to the town of Windsor.

When the announcement was made last week of the Government's intention to place a tax on wire rods the Windsor Record, a Liberal paper in the county of Essex which always advocates the policy of my right hon. friend opposite, said:

Seek to hasten construction of new steel plant, Canada tax of $3.50 a ton on imported steel rods may have that effect.

New York, April 13.—There is every reason to believe that one effect of the action of the Canadian Government in putting a tariff of $3.50 a ton on wire rods, will be to cause the management of the United States Steel Corporation to hasten the construction of the company's proposed new plant at Ojibway, Canada.

Mr. Speaker, can you estimate the value of such a plant to the southwestern portion of the province of Ontario? It means that $20,000,000 is to be invested in this country through the action of this Government. We have every hope that the new tariff will have that result, and it cannot come too quickly for the people in that particular district.

At six o'clock the House took recess.

The House resumed at eight o'clock.

Mr. WILCOX (resuming): When the House rose at six o'clock, I was alluding to the benefits that had resulted from the protective system, and to the number of industries which have been established in the county which I have the honour to represent. In connection with the very great development that has taken place in that portion of the country, let me say that this district is shown by the census returns of 1911 to stand tenth upon the list from the point of view of percentage of increase of industrial products.

With reference to the principle involved in the fiscal system of this country, I desire to place a few quotations on 'Hansard' from the Windsor Record, which is the recognized organ of the Liberal party, and we are always desirous of quoting from a paper which is a recognized opponent, especially when it expresses a view favourable to that which we believe in ourselves. It seems to me that it would be recognized or accepted, not only by Liberals but by Liberal-Conservatives, because the view is in accordance with the belief which they have in regard to the fiscal system. On March 28, 1913, the following appeared in the editorial columns of the Windsor Record:

Business confidence prevails throughout Canada.

In contrast to the unsettled business conditions that prevail in many parts of the United States there is a tone of optimism in commercial circles in Canada.

Across the boundary there is apprehension with respect to the results of the Underwood tariff and its effect on business. There is more or less uncertainty over the state of the money market. The sob squad is particularly prominent along Wall street.

On this side the manufacturers show no signs of nervousness. They recognize the fact that Canada is assured of tariff stability. The whole country is making tremendous progress. Many factories are behind with orders. There is no evidence of slackening up in any line of manufacture.

Mr. ROGERS: Do you mean to say that is a Liberal paper?

Mr. WILCOX: It is the recognized organ of the Liberal party. I have no doubt that there is a reason for the view which that recognized Liberal organ expresses in that particular editorial. It is the guarantee of the permanence that was instilled into the fiscal system of this country by the declaration of the Canadian people on the 21st September, 1911. It was recognized with us on the border that if we were to have a great industrial development we must have a stable tariff, and that what had militated against the industrial growth and development of the city of Windsor in later years to an extent greater than anything else was the uncertainty of the tariff policy of the Liberal party.

It is easy to understand that. Suppose you were a financial man in the city of Detroit, suppose that you had $100,000, or $200,000 or $500,000, and that you were prepared to invest that in Canada; if a policy of free trade was to prevail it would mean a loss for you to invest that money in Canada. Therefore, you can at once recognize the importance of a stable tariff, and the fact that the Canadian people, through the medium of the Conservative party, on the 21st September, 1911, declared for a moderate, protective policy is why we have never seen such industrial growth and development in the part of the province from which I come as that which we have seen since the 21st September, 1911. In the same paper, there is another editorial as follows:

Our Natural Resources.

When we get up at banquets we boast of our great natural resources in Canada, but they aren't much good to us if we allow unlimited export of raw material to help build up industries in the United States or some place else. The Record heartily agrees with the Hamilton Spectator's declaration that the Dominion Government cannot too soon adopt the principle that there should be an export duty on everything in which Canada has a natural monopoly.

I ask the House if that is the Liberal doctrine, if that is the doctrine to which our hon. friends opposite adhere, or is that the doctrine to which the Liberal-Conservative party has plainly adhered since

the fiscal policy of Sir John Macdonald was proclaimed and established in this country in 1878.

Reference was made this afternoon by my hon. friend from Cape Breton to the unemployed. I desire to place upon 'Hansard' a quotation from the same journal, the Windsor Record, dated January 21, 1914:

> Unemployed do not need city's help—thirty dollars instead of one thousand sufficient to take care of the needy—only four families in need of help.

So that I am convinced that this wail that goes up from my hon. friends opposite, who are trying to put a bogey before the people, that there is stress, that prosperity does not prevail throughout Canada, is simply an attempt to advance an argument based upon politics and politics alone.

Forty-seven years ago, in this House of Commons, speaking on the question of protection and the proper fiscal system for Canada, Sir John Macdonald said:

> There is another thing in which I believe. I believe in the protection of Canadian labour. The hand that holds Aladdin's lamp must be the hand of toil. The nation rests upon the shoulders of its workers, and I want the Canadian labouring man to have enough to wear; I want him to have enough to eat; I want him to have something for the ordinary misfortunes of life. I want him to have the pleasure of seeing his wife well dressed. I want him to see a few blue ribbons fluttering about his children. I want him to see the flag of health floating in their beautiful cheeks. I want him to feel that this is his country and the system of protection is above his labour.
>
> And I will tell you why I am for protection too. If we were all farmers we would be stupid. If we were all shoemakers we would be stupid. If we all followed one business no matter what it was we would become stupid. Protection of Canadian labour diversifies Canadian industry, and to have it diversified touches and develops every part of the human brain.

Our country, by reason of the system of protection, by reason of the diversity of industries, which have developed the high brain power of our people, has risen to a higher destiny.

There is a distinct issue between the two political parties in Canada upon the question of free trade and protection; and as to free trade I desire to quote from a work entitled, 'Great and Greater Britain,' by J. Ellis Barker, at page 126, what has happened under free trade in old England. Mr Barker says:

> Unfortunately, our free traders look at our economic problem chiefly from the point of view of the trader and of the moneyed private purchaser. They take a greater interest in our foreign trade, which is carried on by the few, than in our domestic production, which is carried on by the million. They take a greater interest in the cheapness of commodities than in the welfare of those men who produce them . . . Free trade means cheapness especially cheap labour, cheap men. Our record emigration has been caused by record unemployment. Most of our 10,000,000 emigrants have passed through the ranks of the unemployed. Free trade has meant widespread, acute, and permanent unemployment for our workers.

Thus writes a very eminent authority upon the question of free trade in England, and yet my right hon. friend (Sir Wilfrid Laurier) will tell us he adheres to that principle, which has brought about such results there, and which I fear, if put into practice, would bring about like results in this country. It is a well-known fact, I do not think my right hon. friend, Sir Wilfrid Laurier will dispute it, that he did preach consistently a policy of free trade, and his predecessor, Mr. Alexander Mackenzie, preached the same doctrine. The right hon. gentleman justified it on the ground that we have great natural resources in Canada; that these natural resources could be transported to and manufactured in the United States, that they could be retransported back into Canada; and in fact I have read speeches in this strain by Mr. Mackenzie and by Sir Richard Cartwright, when these gentlemen were speaking of the great undertakings of Canada. Until a very few years ago, the Liberal party entirely ignored the industrial life of this country, as being a great factor in our development. Sir Wilfrid Laurier, speaking on the attitude of the Liberal party towards our industries in 1906, at Winnipeg, said:

> We stand for freedom. I denounce the policy of protection as bondage; yea, bondage. I refer to bondage in the same manner in which the American slave was bonded, in the same manner the people of Canada, inhabitants of the city of Winnipeg especially, are toiling for a master who takes away a large percentage of your earnings, for which you sweat and toil.

Sir Wilfrid Laurier again said:

> From this moment we have a distinct issue with the party in power. Their idea is protection, our idea is free trade.

Free trade was the policy of the Liberal party for a great number of years. Sir Wilfrid Laurier in 1896 said:

> I call upon you one and all to pronounce at once and give your emphatic support to the proposition that we shall never rest until we have wiped from our system that fraud and robbery, (protection) under which Canadians suffer. Our policy should be the policy of free trade such as they have in England.

And yet my right hon. friend, when he took hold of the reins of power in 1896, adopted a policy of protection. He and his friends took a right-about-face on the question, and during the fifteen years they were in power they were protectionists. But to-day, when relegated again to opposition, they go back to the old theory of free trade. My right hon. friend's motto seems to be: A Cobdenite I was born; a Cobdenite I will die; but while I am in power I will be a loyal protectionist. Upon this very question, Mr. German, the member for Welland, had something to say. Here is what he said:

> In 1896 the Liberal party did succeed, but happily in that year the Minister of Finance, Mr. Fielding, the Minister of Customs, Mr. Paterson, and the Minister of Trade and Commerce, Sir Richard Cartwright, went throughout the length and breadth of the country gathering information and ascertaining the ideas of the business people and of the farmers as to what should be the correct policy to adopt as the fiscal policy of Canada. Having gathered that information intelligently, thoroughly and exhaustively, the Minister of Finance made his Budget speech in 1897, and in that speech declared for moderate protection and a stable tariff. After having listened to all the delegations and deputations that desired to be heard, the Government came to Parliament and said: We will stand by, if not the National policy as then existing, at any rate a moderate form of the National Policy, and very little modified at that.

To what extent was it modified? It is a very easy matter to compare the last Conservative tariff of 1894 with the tariff which my right hon. friend contends is the Fielding tariff, and see what these changes were. I desire to place those changes upon 'Hansard.' Under the old Conservative tariff, the first group of items was ales, beers, wines and liquors—ten items. These were left severely alone, save that one was changed—and increased. Can my hon. friends opposite reasonably contend that any advantage came to the development and growth of this country because they changed and increased ten items of whiskies and ales?

Sir WILFRID LAURIER: It abbreviated the use of liquor.

Mr. WILCOX: Free use of it in many of your elections. Agriculture, animals and dairy products covered 93 items under the tariff of 1894. Of these 93 items, 81 were left unchanged, 5 were decreased, and 6 increased. One was changed from specific to ad valorem. Is this the principle of free trade about which we heard so much in 1896, and which was going to put these rascals of customs houses out of business? The next item is fish and products of the fisheries, 19 items. The duties on these 19 items were all heavy, and all were left unchanged under the tariff of 1897. Books and papers—18 items, all left unchanged. Chemicals and drugs —14 items, 9 unchanged, 4 increased and one lowered. Opium—3 items, all unchanged. Colours, paints, oils, varnishes —21 items, 14 unchanged, 3 increased and 4 decreased. Leather, rubber and manufactures thereof—11 items, 8 unchanged and 3 increased. Jewellery and materials therefor—8 items, 6 changed, 1 increased and 1 decreased. Textiles, furs, &c.—51 items, 22 unchanged, 17 increased, 6 decreased and 6 readjusted as between specific and ad valorem. Sundries—26 items, 21 unchanged, 3 decreased, 1 increased, 1 new. Sugar, syrups and molasses—7 items, 1 unchanged, 6 increased. Excluding the items of iron and iron manufactures, there were 348 items in the tariff, of which 244 were unchanged, 54 increased, 34 decreased and 16 readjusted as between specific and ad valorem. That was the tariff of my right hon. friend and his party, after promising to the people of this country that, if his party were returned to power, they would have free trade. My right hon. friend must admit that in the adoption of such a system, which he claims is a curse, he is in the position of having advocated a policy in which he had no real belief and of having obtained power by false pretences. But my right hon. friend was pretty wise in his day and generation. He advocated free trade. He came into power and, as I have pointed out from the changes which have taken place in the tariff, he adopted a protective policy. His supporters in this House and in the country, especially in the farming districts, proclaimed free trade, while, as I pointed out this afternoon, they were shaking hands with the manufacturers on the hustings. My right hon. friend, however, is in opposition again. Free trade again! I desire to quote a little parody that I cut from a paper. It has been made over to suit a particular purpose. It goes:

> I'm sitting on the stile, Borden,
> Where I spent many an hour,
> Before the days of ninety-six,
> And blessed reign of power:
>
> It's just the same old stile, Borden,
> (So useful in a pinch)
> The dear old-fashioned tariff stile,
> I builded, inch by inch.
>
> Do you remember ninety-three?
> (Ah, no, before your time)
> When we declared for trade, all free,
> (Then I was in my prime):

Right in the fight through thick and thin,
My Cobden medal shone,
(But just as soon as we got in
We kept the duties on).

I gloried in a surplus then:
For years I kept it up,
I let the trusts and middlemen
Drink from the tariff cup:

"The people" seldom crossed my mind,
(I'm sorry for that now),
They never had a chance to find
Or milk my fiscal cow.

So I'm sitting on the stile, Borden,
I'm sure you'll understand,
I'm in a quandary again,
I don't know where to land:

But now of power and prestige shorn,
I'll raise my voice on high,
A Cobdenite, sirs, I was born,
A Cobdenite I'll die.

I believe I am putting this in a courteous way; but I want to point out to my right hon. friend that he has been insincere in his policy. And I am inclined to the view that the farmers of Canada, to whom he appeals, will not respond to that appeal to the degree to which they responded on former occasions. For, as a class, we farmers of Canada are beginning to recognize the benefits that flow from the home market that has been developed by the policy of protection. The policy of free trade worked better years ago, before there was an industrial development. But that industrial development was the very object of the protective system, with the view to affording to the farmers of Canada a home market. They could not expect to have that home market until our industrial system had been built up. But my right hon. friend in years gone by said that that never could be accomplished; he said we were taxing ourselves for that which would yield us no results. But to-day, when the farmers of Canada are receiving prices for their products equal to the prices paid to any farmers of the known world, he jumps to the other side of the fence and says: You farmers are getting too much. Duties must be abolished.

The Minister of Finance, as reported at page 2543 of Hansard, said:

> There is no doubt that the severe and prolonged financial stringency through which the business world has passed and from which it is only now emerging marked the culmination of one of those so-called trade cycles well known to economists. The phenomena of these cycles are well known. First a surplus of loanable capital attended with easy money conditions and low interest rates, next commercial activity promoted and sustained by abundant supplies of such capital resulting in profitable trade and rapid extension of enterprise, next, in consequence of such rapid extension, an undue proportion of the money supply of the world finding its way into fixed capital, then shortage of liquid resources among financial institutions, followed, as a matter of necessity in order to rectify conditions, by advancing rate of interest with curtailment of credit and consequent restriction of trade.

Then he goes on to say:

> Conditions will, I think, gradually improve with returning confidence and easier money. By reason of the autumn conditions of last year which permitted soil preparation on an unsual scale in all parts of the Dominion, the outlook for agricultural production this year is most favourable and we may look forward to increased production in those other great departments, our fisheries, forests and mines.

Now, in 1908 there was a world-wide financial stringency. My hon. friend from South Cape Breton (Mr. Carroll) pointed out that there was a reduction in the number of immigrants to Canada last year, and this he held as an indication of the existence of hard times, for which he sought to make the Government responsible. But what happened in the financial stringency of 1908? Here are the figures:

	British.	Foreign.	United States.	Total.
1907-8. ..	120,182	83,975	58,312	262,469
1908-9.. ..	52,901	34,175	59,832	146,908
Reduction in year of financial stringency..				115,561

Now, if my hon. friend from South Cape Breton could base upon a falling off in immigration an argument to prove the existence of hard times attributable to this Government, how can he deny that the reduction in immigration in the last financial stringency was due to the late Government? In 1908-9 our trade was reduced by $11,000,000; our debt was increased by $46,000,000. But there was no evidence then that hon. members opposite held that hard times were due to the action of the Liberal party then in power. The Finance Minister of this country to-day is a man of breadth of view. I confess that when I first heard his name announced as Finance Minister I was not acquainted with the man; the only thing I knew of him was that he was forty-seven years of age. But now I know that the wisest choice has been made by the Prime Minister that could be made in the Dominion of Canada. I spoke a moment ago of the increase in the debt of Canada in 1909. What was it that was paramount in its effect in sending this country on its prosperous way? In the year 1910 the farmers of Canada, in the East and in the West, put their shoulders to the wheel and the reports will show that they produced $4,000,000 of wealth more

than they had produced the year before. When the products embodying that extra wealth were sent out across the ocean to the distant markets of the world they brought back millions of wealth to Canada. These millions were infused into the business wealth of the country and Canada went again into the ways of prosperity. My hon. friend the Finance Minister refers to the very same thing in his Budget Speech. He says that the conditions were good last fall; that the soil was in a good condition, and that if the farmers reap a good crop, which we have every reason to think they they will do, the present commercial depression will be a thing of the past. This shows the important position which the agriculturists of this country occupy. When commercial depression prevails throughout the land it is to them that Parliament looks to put their shoulders to the wheel, to go down to mother earth and to bring out that wealth, which when infused into the business of this country will place it on the road of progress and development.

I desire to place on 'Hansard' a synopsis of a report of the Department of Trade and Commerce as to the output of the farms of Canada. It is as follows:

> Upon a total area under field crops of 32,449,000 acres a harvest has been reaped the value of which, calculated at average local market prices, makes a total of $511,951,000. The area under wheat last year was 9,758,400 acres, of which 781,000 acres represent the harvested area of fall wheat grown principally in Ontario and Alberta, but also to a limited extent in Manitoba, Saskatchewan and British Columbia. The total production of wheat was 199,236,000 bushels of the value of $123,522,000. Fall wheat produced 16,396,000 bushels of the value of $13,735,000. Oats upon 9,216,900 acres yielded 361,733,000 bushels of the value of $116,996,000, barley upon 1,415,200 acres yielded 44,014,000 bushels of the value of $20,405,000 and flax upon 1,677,800 acres yielded 21,681,500 bushels of the value of $19,626,000.

The point I am coming to is this: From 292,850 acres, yielding 56.58 bushels of husking corn an acre, there was obtained a total of 24,569,800 bushels valued at $10,325,040, and from 278,740 acres, yielding 10.74 tons of corn for fodder or ensilage per acre, there were obtained 2,858,900 tons valued at $13,557,500, the whole crop being worth to the country the sum of $25,972,900. If you examine the agricultural conditions in the great province of Ontario, you will observe that each particular district is suited to the production of a particular crop. The southern portion of the county of Essex is a fruit district. You can go farther east into the districts of Ridgetown and Highgate, where there are thousands of acres particularly adapted to the production of beans. You can go farther east into the splendid county of Wentworth and there you will find a district which is particularly suited for the production of apples. If you go into the Niagara district, you will find a part of the province which is specially adapted to the production of fruit. In the Wellington and Guelph districts you will find many acres particularly suited to the production of stock. The point I am coming to is this; in that part of the province where fruit, for instance, is produced, the farmer is entitled to a moderate protection upon that which he produces. The tariff of 20 or 30 cents a bushel on beans, which are produced as a specialty in the Ridgetown district, gives the Canadian producer of that particular product of the soil the advantage of his own market through protection. Going farther east to the fruit district, you will find farmers engaged in a profitable business. Why? Because they have the advantage of a tariff that protects their output. A few days ago, when I was unavoidably absent from the House, the question of tobacco was brought up by the hon. member for West Kent (Mr. McCoig). I congratulate him for bringing it up; he did the proper thing, and I am not criticising him for so doing—I praise even a Liberal when he does his duty. But here is the point: There is a section in the southern part of Kent and Essex which is particularly adapted to the production of tobacco. In order to stimulate that industry the federal Government has imposed a duty of 28 cents a pound. When the Minister of Inland Revenue was getting his Estimates through the hon. member for West Kent (Mr. McCoig) asked him if he was going to put a farmer's tariff on raw tobacco. The Windsor Record reports the incident as follows:

> 'I'll give consideration to the question raised by the hon. member for West Kent,' replied Mr. Nantel.
>
> 'That is hardly a fair or sufficient answer,' persisted Mr. McCoig. 'Is he prepared, if he finds conditions as the farmers allege, to take tariff action on the matter? Will he give a farmer's tariff at once?'

I respectfully submit that my hon. friend should come across to this side of the House because that is the doctrine to which we adhere. If free trade is the thing, why not free trade in tobacco, and if we are going to have a protective system in this country let it apply to all the interests in this country with equality.

What does the hon. member say as to the product which is the king of all crops in the north riding of Essex and Kent—corn? In Canada we produce $10,325,400 worth of corn. As I said, the tobacco grower in Essex is entitled to 28 cents a pound protection on his product; the fruit grower within ten miles of him is entitled to 30 cents a bushel protection on peaches; the men who till the soil in the neighbourhood of Ridgetown and Highgate have 25 cents a bushel on their product, and the stockmen in the vicinity of Wellington also receive protection. I ask this Government upon what grounds they can justify giving all these neighbours of mine protection in their products and not giving protection to the corn grower in the county where I live? Hon. gentlemen opposite talk about free wheat, but it is votes they are after, not free wheat. We have had experience of free corn. If free corn is not a good thing for the farmers in our part of the country, I do not believe free wheat will be a good thing. As a result of low freight rates from Chicago the farmers of the States can sell in our home market on much more favourable terms than we can. I desire to place these railway rates on 'Hansard.' This schedule shows the disadvantage under which the farmers of my county labour in regard to freight rates:

9 p.m.

Grand Trunk Railway—Corn Lake Tariff, C. K. 102—Effective February 1, 1909.

From Detroit Elevators to Eastern Points in Canada. Still in force.

		Windsor, Ont., rate.	
	Bush.	100 lb.	100 lb.
To Niagara Falls, Hamilton, Stratford, and Lucan	4½c.	8c.	8c.
Stations north of Guelph, Stratford and Lucan	4½c.	8c.	10c.
Stations north-east Georgetown and Hamilton; to Peterborough, Madock and Belleville inclusive, including branches	5½c.	10c.	14 to 15c.
Stations east of Belleville to Lyn inclusive	6½c.	11c.	16c.
Stations east of Lyn, Ottawa, Hawkesbury and Rockland	8¼c.	14½c.	
Stations on Vermont Central Ry. in Canada to Waterloo, Que.	7½c.	13c.	17c.
Stations on Intercolonial Ry. east of St. Rosalie Jct. to Lévis and St. Henry Jct., inclusive	8¼c.	14½c.	20 to 22½c.
Stations to St. John, N.B., Moncton, Humphreys, Halifax, Dartmouth, Truro, New Glasgow, Amherst, N.S.	9c.	16c.	22½ to 25c.
Stations from Windsor Jct., Nova Scotia, to Pictou	9c.	16c.	25½c.
Stations east of Lévis and intermediate to Halifax and New Glasgow	10c.	17¾c.	22½ to 28c
Stations to Point Tupper, Sydney, North Sydney and Mulgrave, inclusive	12c.	21½c.	27 to 28c.
Fredericton, N.B.	10c.	17¾c.	22½c.

There is a shipping bill of the Canadian Pacific railway under which a car of corn was consigned from Gilbert's Bend, Indiana, 300 miles beyond Chicago, that corn was brought right across our own border over the Canadian Pacific railway, through our own corn district—

Mr. A. W. CHISHOLM: Your own railway.

Mr. WILCOX: Yes, sir—and delivered in the eastern portion of Ontario at a rate equal to what we have to pay.

Mr. CHISHOLM: What road did that come over?

Mr. WILCOX: It came over the Canadian Pacific railway.

An hon. MEMBER: What is the date of the bill?

Mr. WILCOX: January 28, 1913. I contend that that is not fair. I contend that, if we are to have a protective system in this country, it ought to be fair and equitable to all interests and there is no just ground why the farmers should have to grow and sell their corn in the open market, when the United States produce seven-eighths of the corn crop of the world, and when every other product which the farmer raises, is entitled to, and does receive, the advantage of tariff protection.

In looking over the political history of this country during the last fifteen years, I would say that the greatest weakness in the Government has been that it has practically been one man government. I understand party government to be organized public opinion and that members are elected to this House because they represent the majority of public opinion in the particular district from which they come. Upon this point the Hon. Edward Blake said:

I understand it is the duty of the leader to be, as far as possible, the leader of the whole party, and not of any section. It is a part of

his duty to collect the common sense, and to ascertain what I may call the average condition of party opinion upon the public questions of the day; so far as consists with individual freedom of thought to guide, while he is himself acted on by that opinion; to take care that that average opinion so settled is effectually represented. * * * It has been well said that no leader could succeed who should be called on at all times to formulate opinions on all possible questions.

I am inclined to believe that the leader of the Liberal party in the last fifteen years has not based his policy upon the well considered judgment of his supporters. I believe there is evidence to show that that is the fact. We remember what happened in 1897 why my right hon. friend, behind closed doors and not when the session was on, entered into a hard and fast bargain with Mackenzie and Mann, to construct a railway into the Yukon. When that Bill was brought down to the House it was fought and it was killed in the Senate. The road was subsequently built and this Government had no subsidy to pay but Parliament had to vote Mackenzie and Mann $282,000 for damages for breach of contract. That is not in accordance with the principles upon which our constitutional government should be carried on. Of course I know that the caucus brought men into line. There were judgeships, commissionerships, &c., but yet it is a fact that Mr. Tarte, Mr. Sifton and Mr. Emmerson were squeezed out. Mr. Bourassa, a man of some independence, had to get out; Mr. Richardson from the wild and sturdy West who expressed some independent views of the Liberal party had to get out, and Mr. A. G. Blair, the Minister of Railways and Canals, had to get out when there was introduced into this House a momentous question upon which, I think, he should have had something to say. The following has been taken from a speech delivered by the present Prime Minister on the floor of this House in 1904:

In committee in June, 1903, some members from the vicinity of Quebec city asked the president and the manager of the Grand Trunk to consent to the extension of the proposed line to the city of Quebec. This was followed by another request for an extension from Quebec to Moncton, N.B., and both extensions were agreed to by the Grand Trunk representatives.

Thereupon negotiations privately took place, behind the back of the Minister of Railways—Hon. Mr. Blair—between Sir Wilfrid Laurier and Mr. Hays of the Grand Trunk, the result of which was that the Government undertook the construction of those two extensions, and of a section (about 900 miles) from a point above North bay to Winnipeg, which the Grand Trunk had proposed to build.

There we see my right hon. friend the leader of the Opposition, behind closed doors, with representatives of the Grand Trunk Pacific, undertaking and agreeing to proceed with the construction of this line east of Quebec, which is recognized to-day to be a waste of $35,000,000. By that agreement, which was effected by my right hon. friend behind closed doors and in the absence of the Minister of Railways, he, in my judgment, put a chain around the necks of the people which they will not loosen for generations to come.

My right hon. friend exercised a good deal of control over the hon. member for South Renfrew (Mr. Graham) because that hon. gentleman, in his speech in defence of his Government, said, 'Hansard,' March 24, 1914, page 2056, in connection with the proposed terminal at Winnipeg:

I walked the proposed route, afterwards taken for the straight entrance into the city of Winnipeg, and I came back to the city of Ottawa and told the Prime Minister of the day that I was unalterable in my view that that was the proper entrance for the Transcontinental, and I would not change my decision. I want to repeat that I am as proud of that as of anything I ever did in my public life. When pressure was brought to bear on me to induce me to change my decision I went further; and I am not telling tales out of school when I say that I went to the extent of telling my leader that he could have my resignation as Minister of Railways if he sought to change that entrance into the city of Winnipeg.

The hon. gentleman from South Renfrew (Mr. Graham) practically said: I had my way, and because I had my way there stands out pre-eminent in my public life the grandest thing I have ever done.

The Government now in power is to be congratulated for the progressive policy it has adopted in connection with the rural mail delivery. The ex-Postmaster General (Mr. Lemieux), who is to follow me, I understand, did not make the first announcement as to the rural mail delivery service, and if I am wrong in that I stand to be corrected. The first announcement that was made in the Dominion, with regard to rural free mail delivery, was made by the Right Hon. Robert Laird Borden in his Halifax manifesto, and subsequently the ex-Postmaster General at St. Catharines made an announcement that he would establish rural mail delivery, but only on established mail routes, meaning these points where there was a contract let for carrying the mails from the stations to the post offices. Rule 1 of the Post Office Regulations of 1909, with respect to rural mail delivery, reads:

The Post Office Department has decided to undertake the delivery and collection of mail matter to and from persons residing in rural districts along and contiguous to the line of travel of all existing stage routes of one mile and upwards in length upon receipt of a properly signed petition for such service from the residents of each of the rural districts traversed by such stage routes.

That was the extent of the rural mail delivery under the late Government, but when the Conservative Government came into power a new policy was adopted, old things had passed away and all things had become new. The following communication was sent out as a declaration of the policy of the Conservative Government with regard to rural mail delivery:

Re the inaugration of rural delivery and the department's policy in regard thereto, permit me to say that the department has decided, on the recommendation of the majority of the members, and in order that satisfaction may be given generally throughout the country, to adopt a policy for the establishment of rural delivery throughout the Dominion by installing a system of routes in the districts where the demand for rural delivery is such as to warrant it.

Mark my words: ' On the recommendation of a majority of the members.' That is the way to arrive at a policy; that is constitutional government; that is establishing rural mail delivery, not behind closed doors and back doors with representatives of the Grand Trunk Pacific and other railways, but on the recommendation of the majority of the members of Parliament. And as a result of that progressive declaration of policy, I have been able to have established in the north riding of Essex, 420 miles of rural mail delivery which is giving 2,000 farmers of my county mail every day. Be assured they appreciate it. I very much regret that the ex-Postmaster General (Mr. Lemieux) did not show himself progressive enough to reach out, so that we might have had this beneficial system established years ago.

Speaking of what has been accomplished by the present Government, I think that under the conditions under which this Government has worked and laboured, having regard at times to the unreasonableness and stringent opposition that has been offered to the measures which they pledged the people of Canada they would put into force if returned to power, this Government has proven itself the most progressive government that the Dominion of Canada has seen in a generation. What has this Conservative Government accomplished in the short space of two and a half years, and it only seems like a dream since the general elections, but I know it seems like years to our hon. friends opposite. In the short space of two and a half years this Government has undertaken the following great projects:

The extension of the boundaries of Ontario, Quebec and Manitoba.

The Aid to Agriculture Bill appropriating ten million dollars over a period of ten years for agriculture instruction throughout Canada.

The West Indies agreement with improved steamship service.

The reduction of cable rates to the West Indies and the British Isles.

The inauguration of a greatly improved tri-weekly mail service between Canada and Great Britain.

The new arrangements in regard to marine insurance on the St. Lawrence and reduction of rates to Halifax.

The magnificent dry dock under construction at Quebec, with similar dry docks proposed at Halifax and Esquimalt.

The bill to provide for pensions to the Fenian Raid veterans.

The Naval Aid Bill. (Defeated by the Senate.)

The Highways Bill appropriating $2,500,000 for road construction in two years. (Defeated by the Senate.)

The Branch Railway Bill, providing for the acquisition of branch lines in Quebec and the Maritime provinces to build up the Intercolonial railway. (Also defeated by the Senate.)

The Bill to establish parcel post system recently inaugurated.

The development of national harbours at Halifax, St. John, Quebec, Montreal, Toronto, Hamilton, Port Arthur, Fort William, Vancouver and Victoria.

The completion in such a short space of time of the National Transcontinental railway.

The construction of the Hudson Bay railway so far advanced that 150 miles have been graded and one-half of the work finished in 1914.

The contracts awarded for two out of three sections of the Welland canal, with two more sections to be called for shortly.

The construction of a government-owned terminal elevator at Port Arthur to handle 2,500,000 bushels of wheat.

The establishment of a policy of interior terminal elevators owned by the Government for which two contracts have already been let at Saskatchewan and Moosejaw.

It is very much to be regretted that the Government has been hampered in its measures for the benefit of the whole country by the opposition of the Senate of Canada. I regret that the Senate has seen fit to defeat the Highways Bill, but I remember the words of Edward Blake:

> You might as well ask a wolf to select a sheep dog to protect the sheep from the ravages of the wolf, as to ask the Senate of Canada as it is now constituted to do their duty to this great country, or the Empire, if they thought such a course would militate, against the polisuch a course would militate against the polimons.

That is a reasonably good showing for any Government to make in the short period of two years. It is no exaggeration to say that the present Administration is endeavouring to the best of its ability to carry into effect the will of the people of this country. The Premier of this country, the Right Hon. R. L. Borden, issued a manifesto in which he set forth his policy. Upon that policy he was elected, and he has consistently, honestly, conscientiously, intelligently and to the best of his ability endeavoured to carry into effect that which he promised the people before the election of 1911. I believe the people will accept what he has done as in their best interest, and will agree that he is giving an honest and conscientious administration.

Hon. RODOLPHE LEMIEUX (Rouville): Mr. Speaker, I hope not to delay this House too long by the remarks which I intend to offer on the questions of to-day. I have listened with great attention to the speech delivered by my hon. friend from North Essex (Mr. Wilcox). I noticed that in one portion of his speech he was very fond of quoting what he considered a very high authority against free trade, which nobody preaches in this chamber. He quoted Mr. Ellis Barker in order to prove that free trade brought poverty and destitution in England, which of all countries to-day is the most prosperous, and which has been able to fare best during the cycle of commercial depression and financial stringency through which the whole world has passed of late; but I suppose that my hon. friend, when quoting Mr. Ellis Barker, had in mind that under a high protective tariff there is no poverty and no destitution. This is not the place nor the time for an academic debate, but I shall only answer my hon. friend's argument by quoting just a few lines from the Montreal Gazette of yesterday, showing the conditions under a protective Government which boasts of its high protective principles—and we are supposed to fare well even during the financial stringency and the hard times which exist in all parts of the world. The Gazette does not report what happens in the county of Essex or in the beautiful town of Windsor, but it reports for the small town of Montreal and for the poor people of Montreal. Here is what I read:

> More destitution than in winter—Free refuges find demands for shelter greater and work scarcer—Unemployed fill city, while immigrants seeking work are adding to the down-and-out class, say charity workers.

Let me quote a few lines:

> That conditions of unemployment and destitution in the city following an unusually severe winter, have not improved at all with the advent of spring, and are if anything worse here than in the middle of the winter, is the consensus of opinion of the superintendents of the various free and cheap refuges in Montreal, who come into more intimate contact perhaps with the down-and-outs than any others.

And there is a whole column quoting facts and figures as regards the hard times in the city of Montreal.

My hon. friend stated that he was a strong party man, and I have no objection to his being a party man. I also am a party man. I believe in a system of government by party, and he and I are in excellent company, because the greatest parliamentarian of the eighteenth century, Edmund Burke himself, declared that party government was the best measure ever devised by man to govern men. My hon. friend belongs to the Conservative party. I take pride in belonging to the Liberal party. His party, in my judgment, represents reaction; the Liberal party represents progress. When I read the Budget speech of my hon. friend the Minister of Finance, I am obliged to say that the characteristics of his Budget are as reactionary as the party to which he now belongs. It is a most reactionary Budget; it is a complete surrender to the interests and the manufacturers of Canada. The country was awaiting anxiously a downward revision of the tariff, and it is now committed to an upward revision. Minus a five per cent reduction on some agricultural implements, which is a mere sop to the farming community of Canada, the tariff this year completely ignores the great farming community, while it disregards all the real grievances of the West. It bangs, bars and bolts the door to the consumers clamouring for a reduction of taxation. I am not surprised at that; nobody is surprised. The interests are predominating in this country

under this benign Government. We all know that the big interests won the election of the 21st of September, 1911. Now they receive their reward at the hands of the Government. The farmers on the other hand receive the cold shoulder, while to the consumer is thrown a polished stone which will come under the form of a blue-book when the Commission on the High Cost of Living finds time to report. Considering the consequences of that reactionary Budget, with its tendency towards an upward revision of the tariff, I would be inclined to say, repeating an old historical saying, 'It is worse than a crime: it is a blunder.'

My hon. friend the Minister of Finance prefaced his remarks with a declaration of principles. He stated that from now on he, his Government and his party stood for the National Policy; he reiterated the statement that the Government was committed to a policy of protection. Nor did he fail to intersperse his speech—a very able speech—with sneers at those of us who still believe that reciprocity was not such a bad thing for Canada after all. Since he has thought it proper to make this declaration of principle in favour of high protection, may I not be permitted to make a little historical survey to show him what protection was meant to be from its inception in this country? Perhaps it may be the fashion for some months to come to sneer at reciprocity and to say that the Liberal party blundered in 1910-11 in advocating that policy. Well, I think I can easily demonstrate, and I think you yourself, Mr. Speaker, being one of the fathers of the House, could teach the hon. gentlemen sitting at your right, that when they sneer at reciprocity they, by that very act, defame their own party, deride their own policy and denounce their old chieftain, Sir John A. Macdonald. Sir John A. Macdonald was himself an ardent advocate of reciprocity, as you well know. The National Policy which he was instrumental in introducing was meant, in his judgment, to pave the way to reciprocity; it was to be—to use his own language—the key to unlock the gates of wider markets; it was to be the lever to remove the fiscal barriers standing between this country and the United States of America.

Now, what happened in 1877, when Sir John Macdonald occupied the seat now occupied by the right hon. leader of the Opposition (Sir Wilfrid Laurier)? We had at that time a low tariff. Hon. Alexander Mackenzie was the Prime Minister of Canada. We were passing through an economic crisis which hovered not only over Canada but over the United States and the world at large. Sir John A. Macdonald was watching his opportunity to impress the people of Canada with the belief that the time had come for a change. On the 7th of March, 1877, he moved the following amendment in this House:

> This House is of the opinion that the welfare of Canada requires the adoption of a National Policy which, inter alia, will restore prosperity to our struggling industries now so sadly depressed; will prevent Canada from being made a sacrifice market; will encourage and develop an active interprovincial trade; and moving, as it ought to do, in the direction of reciprocity of tariffs with our neighbours so far as the varied interests of Canada may demand, will greatly tend to procure for this country eventually a reciprocity of trade.

Now, when my hon. friends opposite sneer at reciprocity, they sneer at protection which in its inception was designed, according to the very language of Sir John A. Macdonald, the great Conservative chieftain, to bring about a reciprocity of trade between Canada and the United States. What followed? Sir John Macdonald took office in 1878, and in 1879 his Minister of Finance, Sir Leonard Tilley, introduced into this House a new customs tariff. I am only repeating what has already been repeated on many occasions, but it is well that the younger generation of Tories should know what their ancestors did in this House of Commons. When Sir Leonard Tilley introduced this Tariff Act of 1879, it contained the following as section 6:

> Any or all of the following articles, that is to say: animals of all kinds, green fruit, hay, straw, bran, seeds of all kinds, vegetables, including potatoes and other roots, plants, trees and shrubs, coal and coke, hay, hops, wheat, peas and beans, barley, rye, oats, Indian corn—
>
> Et cetera, et cetera.
>
> —may be imported into Canada free of duty, or at a less rate of duty than is provided by this Act, upon proclamation of the Governor in Council which may be issued whenever it appears to his satisfaction that similar articles from Canada may be imported into the United States free of duty, or at a rate of duty not exceeding that payable on the same under such proclamation when imported into Canada.

You have in that section practically the same list which was included in the famous reciprocity pact, known as the Knox-Fielding pact of 1910-11. This was the Conservative policy for many years. This section 6 remained in our Customs Act until very lately. But there was this

difference between the political parties: for many years the Conservative party when in office tried in vain to obtain concessions from the Washington authorities; they sent pilgrim after pilgrim to the White House, but without avail. On the contrary, the Liberal party, after taking office, having received one rebuff declared that we would never return to Washington. We awaited our opportunity; and it came in 1910-11, when the President of the United States sent commissioners to Canada in order to ascertain if she would be willing to enter into a reciprocity pact. That is the difference between the two parties. Both parties in this country for half a century at least have advocated reciprocity. The difference between the Conservative party and the Liberal party is that the Conservatives sent delegates to Washington, whereas under the Liberal regime the officials at Washington came to Ottawa.

I listened with a great deal of attention to the speech of my hon. friend the member for St. Antoine (Mr. Ames). He is a highly educated gentleman, who knows the politics of this country very well indeed, and his remarks are always interesting. In order to blacken as much as possible—I will not say the reputation, but the history of the Liberal party during their tenure of office of sixteen years—the hon. gentleman was obliged to use Latin words. He could not find in the English or in the French language any words sufficient to describe the regime of the right hon. the leader of the Opposition, and he went to his Roman law to find that the only term he could use was hereditas damnosa. On many occasions during the course of his speech the other day he characterized the Administration of the right hon. gentleman as hereditas damnosa. He gave a few comparative figures to justify his support of the present Administration and to condemn the late Government. My hon. friend, in using a few comparative figures to justify his support of the present Government, reminded me of a little story which was once told by Sir Richard Cartwright at a public meeting in Toronto. A meeting had been held the day before at the Albany Club, and my hon. friend the Minister of Trade and Commerce (Mr. Foster), even in the dark days of 1893, had been ingenious enough to find, by his comparative figures and tables, that this country was extraordinarily prosperous. Addressing the meeting the next day, and speaking of two hon. gentlemen whom I shall not name, Sir Richard Cartwright said: 'A man can prove almost anything by the law of averages. I could prove by the law of averages that the hon. gentleman, Mr. So-and-So, is an honest man. I could even prove that he is a truthful one.' So with my friend the honourable member for St. Antoine. By the law of averages, one reading his speech and knowing nothing of Canadian politics to-day, would come to the conclusion that all is well with the present Administration. Before I proceed to explain what the present Administration has done during the last two and a half years, I may be permitted to recall some facts and figures in order to answer the rather contemptuous remarks made by the hon. member for St. Antoine about the Liberal regime. In 1897 Mr. Fielding, the late Minister of Finance, introduced in this House a policy which, I believe, gave Canada 15 years of unbounded prosperity. I need not repeat to the House what were the changes brought about by his new tariff. The last speaker repeated the old story that Mr. Fielding changed practically nothing in the old tariff; but I have only to name the British preference, which reduced by 33⅓ per cent the taxation of the people of this country, to prove that an immense change was made with the introduction of the fiscal policy of 1897. At all events, we judge a fiscal policy by its results. If I were to judge of that policy by the words spoken by the then leader of the Opposition (Sir Charles Tupper), of course I might be inclined to say that this great country of ours was very badly governed for fifteen years. Indeed, when Sir Charles Tupper received the news that the British preference would be introduced that the specific duties would be wiped out, and that some of the ad valorem duties would be reduced, he used the following language:

> The result is that this tariff goes into operation, and the hon. gentleman knows that the industries of this country are already paralysed in consequence, while hon. members gloat over the destruction of Canadian industries. I was reading the wail, the sorrowful wail, of these industries in the Montreal Gazette, where one manufacturer after another declared that their industries were ruined; that their mills must close, and that they saw staring them in the face a return to the deplorable state of things that existed when the hon. gentleman who last addressed the House was in charge of the fiscal affairs of this country. I say that a deeper wrong was never inflicted on Canada. I feel that so far from rejoicing at it from a party standpoint, I deplore from my heart the ruin that is going to be inflicted upon the best interests of Canada and upon its great industries.

That was the prediction made by Sir Charles Tupper in 1897.

Mr. HENDERSON: This statement has been read time and again in the House during the present session. Will the hon. gentleman permit me to ask him whether Sir Charles Tupper, when he delivered that speech, had reference to the first tariff that the hon. Mr. Fielding brought down, or to the tariff that was put in force by Mr. Fielding?

Mr. LEMIEUX: I do not see the distinction my hon. friend wishes to make.

Mr. HENDERSON: The hon. gentleman must remember that a great number of changes were made before the tariff was put into operation, and what Sir Charles Tupper had reference to was the tariff as brought down in the first instance, which was afterwards modified to a very great extent.

Mr. LEMIEUX: I sat in the House in those days, and I have a fair remembrance of what happened. The Fielding tariff stands to-day on the statute book, and it was that tariff which was assailed by the then Opposition and its leader. The policy especially assailed in that statement of Sir Charles Tupper was the British preference given by Mr. Fielding. What were the results of that policy? The revenue of 1896 was $36,618,000, in round figures. In 1911, fifteen years afterwards, it had rolled up to 117,000,000; that is to say, in fifteen years it had trebled. The hon. gentleman in 1896 closed the fiscal year with a deficit of $519,000, in round figures; we closed the fiscal year 1911 with a surplus of $30,500,000.

Their average deficit in twelve years was $415,508; our average surplus in fourteen years was $10,471,371. Then, as to trade figures. In 1896 the total trade was $239,-025,360; in 1911, $728,000,000; or, from 1868 to 1896, barring of course the five years of the Mackenzie regime which was only an accident, the increase in twenty-eight years was $123,000,000. The increase from 1896 to 1911 was $410,000,000—three times more revenue and three times more trade. As regards our trade with Great Britain, in 1896-97 it amounted to $106,000,000 in round figures; in 1910-11 it amounted to $246,-573,720. My hon. friend from St. Antoine (Mr. Ames) is supposed to be an Imperialist of the Imperialists. Who gave the British preference to the mother country? And who opposed the motion moved in this House in 1900 by my friend the member for Halifax, now Mr. Justice Russell? The whole Conservative party opposed it. My hon. friend from St. Antoine is interested in manufactures and is also a Montrealer. Montreal is the great industrial centre of the country. In 1896 the population of Montreal was 249,000, and in 1910, 550,000, or an increase in fourteen years of 301,000. In 1896 the value of property in Montreal was $170,731,000, and in 1910 $426,550,000, or an increase in fourteen years of $255,818,000. Briefly, this is the hereditas damnosa referred to by my hon. friend from St. Antoine. As a matter of fact, the revenue of this country was never so buoyant, trade was never so brisk and the industries of Canada were never so prosperous as during the Liberal period from 1896 to 1911. For Canada, it was a period not only of commercial but of national expansion. Hon. gentlemen opposite may say: But you maintained the same National Policy. If we maintained the same old National Policy we used the same instrument which hon. gentlemen were using before 1896 to govern this country and with what results? Let us take the fourteen years before and after 1896. In the last fourteen years of the Conservative regime ending in 1896 imports decreased by $14,000,000. In the last fourteen years of the Liberal regime imports increased by $300,000,000. In the last fourteen years of the Conservative regime exports increased by $22,000,000; in the last fourteen years of the Liberal regime exports increased by $171,000,000. The total trade of Canada during the last fourteen years of the Conservative regime increased by $8,500,000. During the last fourteen years of Liberal regime the total trade increased by $471,-000,000. Therefore we look back with pride to the Liberal Administration. Our per capita increase of trade was the largest of all the trading nations of the world. Besides, the West was settled whereas before it was only a solitude. We solved the problem of transportation, we carved new provinces in the West, we organized the Railway Commission which in latter days has so greatly alleviated the burdens of the taxpayers of the West. From a national point of view Canada never loomed so large as during the Liberal Administration, not only in the British Empire, but in the whole world. My hon. friend from St. Antoine is a great imperialist in words. I said a moment ago that we gave the British preference and that he himself denounced it. To-day the western farmers are clamouring for an increase in the British preference My hon. friend from

10 p.m.

St. Antoine is a great friend of the mother country, a better friend than we are on this side of the House. Will he ask his associates in power to increase the British preference? That would be practical Imperialism, not Imperialism of the dreamy sort. We all know that for years a scheme of Imperial federation was very much to the fore amongst British statesmen. It was discussed in the press. The Imperial Federation League was founded. It was composed of men of great ability and all true patriots. But we all know that it failed. Lord Rosebery, himself, in 1899, when he was president of the league, said:

> You may be perfectly certain that, whatever your views and whatever your exertions, Imperial federation in any form is an impossible dream.

If Imperial federation was declared an impossible dream, at all events we on the Liberal side made Imperial co-operation a reality. The present leader of the Opposition and his Minister of Finance, Mr. Fielding, realized the Imperial co-operation by establishing a system of British preference. We are often told by our friends on the other side that we received nothing in return. That is true, but Canada emerged the greater from the various Imperial Conferences and from the granting of the British preference. For the benefit of those who are inclined to doubt the excellence of that preference let me quote a few lines from a speech delivered not very long ago by Mr. Lloyd George, the present Chancellor of the Exchequer, in Great Britain. He said:

> The Canadian preferential tariff has produced marked effect on our export trade to Canada. The South African and the New Zealand preferential tariffs have not yet been put to the test by much actual experience; but I cannot for a moment doubt that in some measure the happy results which have ensued from Canadian preference will be repeated in these cases. The same observation of course applies to Australia; and Great Britain feels, and ought to feel, grateful, not merely for the actual concessions which have been proposed, but even more for the spirit of comradeship—and I think I may even say of affection—which has inspired this new policy.

I said that Canada emerged the greater through granting the British preference. I should add that Canada emerged the greater also from her participation in the various Imperial Conferences which were held from the time of the Jubilee in 1897 up to 1911 inclusive. Let me enumerate some, and some only, of the gains which Canada obtained from her participation in the Imperial Conference. First, we secured equality of status with the mother country herself. Theretofore the Conferences were called Colonial Conferences. They are now called Imperial Conferences and they are summoned as such. Heretofore the Colonial Secretary was the president of these conferences. Now the Prime Minister of Great Britain is, ex officio, the president of these conferences. In 1907 the following resolution was unanimously adopted:

> That it will be to the advantage of the empire if a conference, to be called the Imperial Conference, is held every four years, at which questions of common interest may be discussed and considered as between His Majesty's Government and His Governments of the self-governing Dominions beyond the seas.

The relations have changed between the mother country and the great overseas dominions. The colonial office is no more the guardian of Canada. The Prime Minister of Canada can discuss all great questions on a footing of equality with the Prime Minister of Great Britain and with the other Prime Ministers of the overseas dominions. So radical is the change that it was expressed in the following language by Sir Henry Campbell Bannerman in 1907 when he said:

> We found ourselves, gentlemen, upon freedom and independence—That is the essence of the imperial connection. Freedom of action on the part of the individual states, freedom in their relations with one another and with the mother country.

Heretofore we were not free agents as regards our commercial relations with foreign countries because treaties had been and were negotiated without our consent. They were binding upon us and we found the position most acute when, in 1897, we granted a preference to the mother country. We discovered that the treaties passed between Great Britain and the Empire of Germany and between Great Britain and the Kingdom of Belgium were binding upon Canada, and the preference which we were giving to the mother country had also to be given to Germany and Belgium. During the conference which followed, the former Minister of Marine and Fisheries, Sir Louis Davies, the Minister of Finance, Mr. Fielding, and the Minister of Customs, the late Hon. Wm. Paterson, a good patriot and a great Canadian who just passed away a few days ago, appealed to the authorities in England, argued the case for Canada, and the treaties were denounced. It was an epoch-making conference in 1897 when the British-German and British-Belgian treaties were denounced at the request of Canada. In 1911, we found some fifteen other

treaties in the way when the reciprocity pact was being discussed before this House, and the present right hon. leader of the Opposition requested His Majesty's Government that negotiations should be opened with a view to restoring liberty for any of the dominions to withdraw from the operation of a treaty without impairing the treaty with respect to the rest of the empire. That wise principle was accepted. So to-day we can say safely that Canada can negotiate commercial treaties, and the same may be said of Australia and New Zealand. Who won that privilege for the overseas dominions? It was the Liberal Prime Minister of Canada. From that very fact alone the fifteen years of Liberal Government was a boon to our country, and if it emerged greater, not only in the eyes of the empire but also in the eyes of the world, the Liberal Government must be given the credit.

As a result of these conferences Canada obtained the recognition of the right to establish a local navy—not separatist—but a separate navy. In 1911, at the conference between the Admiralty and representatives of Canada, it was very properly declared that in future Canada, as well as Australia, could fly her own flag on His Majesty's ships, that Canada as well as Australia, could defend her own zones on both the Pacific and the Atlantic oceans. The conference declared further that the naval services and forces of the Dominion of Canada and the Commonwealth of Australia could be exclusively under the control of their respective Governments. I do not intend at this hour of the evening to discuss the naval question, but let me say that the, position of the Liberal party, and that of the Liberal Prime Minister at the Naval Conference in 1911, is vindicated by the action taken by the Australian Government during the last few months. The right hon. leader of the Opposition, who is re ponsible for the hereditas damnosa, to use the Latin language my hon. friend the member for St. Antoine (Mr. Ames), was justified in saying during the elections of 1911 that as a result of the various conferences:

> Canada now is a nation, a sister nation in the galaxy of the overseas dominions.

Some of my hon. friends on the other side of the House, and some of the writers in the Conservative press, object to the term 'Canada a nation'; they say that it is treasonable to use such language. Well, Mr. Speaker, listen to Mr. Balfour, one of the great British statesmen of our century, possibly the greatest parliamentarian of the day. As reported by the Times of February 1, 1911, Mr. Arthur Balfour used the following language:

> I believe from a legal point of view, the British Parliament is supreme over the Parliament of Canada, or Australasia, or the Cape or South Africa, but in fact, they are independent parliaments, absolutely independent (cheers) and it is our business to recognize that and to frame the British Empire upon the co-operation of absolutely independent parliaments.

In the House of Commons on the 21st of July, 1910, Mr. Balfour said:

> It is a matter of common knowledge, and, I add, not a matter of regret, but a matter of pride and rejoicing, that the great Dominions beyond the seas are becoming great nations by themselves.

It is refreshing to quote from such a distinguished parliamentarian, such a great statesman, such a true Briton, as Mr. Balfour, and to compare his words with the ignominious language used by those who deprecate saying that Canada is a nation, because, forsooth, they think it treasonable.

Having referred to the national aspirations of Canada and its commercial expansion during the Liberal regime, the hereditas damnosa, let me come now to what my hon. friend from St. Antoine (Mr. Ames) would, I suppose, call the hereditas sacra, because I must also use Latin to characterize the administration of hon. gentlemen now in office. They have not been three years in office yet; they will celebrate the third anniversary of their accession to power on the 21st of September next, if not on the 12th of July. Then they will be able to point to the fact that their three years of office have been marked by hard times, high cost of living, money stringency, falling revenue, large borrowings, and increased expenditures. The Minister of Finance is smiling now; he is in good humour; but let us take a look at the chapter of expenditure he is responsible for. The increased total expenditure during the past year has been nearly $40,000,000, or about $5.00 per head of the population of Canada—I am using the same law of averages which was used by the hon. member for St. Antoine—while the decrease in revenue has been approximately $6,000,000. For the first two complete fiscal years of this Government the increase for the ordinary expenses of government has been $28,000,000 or nearly $4 additional for every man, woman, and child in the Dominion. How does that compare with the Liberal Administration? In the last year of the Laurier Government, the total

expenditure on consolidated fund account was $87,774,000, and in the second fiscal year of this Government, the total expenditure on consolidated fund account was $126,500,000. For the last fiscal year of the Laurier Government, the expenditure on both consolidated fund account and capital account was $122,861,000, and for the second fiscal year of the Government now in office, the expenditure on the same account amounted to $183,500,000. In the three years, the consolidated fund expenditure will have increased by nearly $39,000,000, and the total expenditure by about $60,639,000. And yet, hon. gentlemen opposite when they were in Opposition, said that the Liberal Government was extravagant, and that the ministers were spendthrifts. The Prime Minister, then leading the Opposition, declared that the expenditure of the Liberal Government meant nothing less than corruption. The right hon. gentleman promised solemnly, were he returned to power, to reduce the expenditure by at least $10,000,000, as regards the administration of affairs.

It is fortunate for you and for me, Mr. Speaker, that we live in the twentieth century. Had we lived in the middle ages, had we lived even in the eighteenth century, we would have seen the present ministers not only branded as impostors, but subjected also to the block and to the hatchet. I read a few days ago that the Minister of Public Works (Mr. Rogers) was very anxious to go to Great Britain to represent Canada there, and he would be a very creditable representative of, at least, the present Government. I am told that the hon. gentleman has never crossed the seas. If he goes to London I advise him to do what all young Canadians do on their first visit. They go first to Westminster Abbey, and it is worth crossing the Atlantic just for that; and then they go to the Tower of London, where they see the instruments of torture. Years ago, on my first visit to the Tower, I was very much impressed when I saw the block where fell the head of the fair Lady Jane Grey, and when I saw the iron rods—they were not protected in those days—that used to pierce the tongues of the perjurers and imposters. I would advise the Minister of Public Works and the Minister of Militia to visit the Tower of London, and there they will see what instruments of torture were used in the old days against perjurers and imposters. Far be it from me to say they are perjurers and imposters, but it is well that they should look for the worst.

[Mr. Lemieux.]

The Minister of Finance had to boast of something, and so he boasted of a surplus of $36,000,000, but that is poor consolation for the thousands who feel the bite of the hard times and of the high cost of living. The cost of living is abnormally high, as may be seen from the fact that in 1911 the average wholesale index price in Canada of 255 articles of general consumption was 128.9, of the average price level during the decade from 1890 to 1899. A year later it was 133.1, and in October last the average price was 136. The March statement of the Labour Department, giving the index number of wholesale prices, shows that there has been another increase in the cost of living during the month, and the index number now stands at 136.7, as compared with 136.1 in February and 136 in October of last year. The more important increases have occurred in grain, fodder, animals, meats, canned salmon, vegetables, flour and oatmeal; the increases took place in the products of the canners and the millers, about whom the Minister of Finance is so solicitous that they should have protection, while at the same time he takes no heed of the consumer.

The Minister of Finance and the gentlemen who surround him may ask: Can you reduce the cost of living? Yes, Mr. Speaker, we can reduce the cost of living, slightly at least, and a little always helps. We could reduce the cost of living, first by reducing taxation. What has this Government done to reduce taxation? Nothing. On the contrary, last year the Government levied a toll of over $11,000,000 on foodstuffs, valued at $50,000,000. I give facts and figures to show this:

Dutiable food stuffs imported into Canada during the fiscal year 1912-1913, with the amount of duty collected in each case:

	Value of Imports.	Duty Collected.
Sugars	$17,392,146	$ 4,162,672
Fruits and nuts	8,782,395	1,821,422
Vegetables (canned and fresh)	3,242,284	896,262
Meats and poultry	5,338,673	1,040,547
Eggs	2,783,665	327,123
Fish	1,608,663	361,115
Butter	2,081,987	252,311
Prepared cereal foods in packages	3,650,101	42,069
Breadstuffs, etc	1,260,357	261,403
Grain, flour and meal, etc	3,638,121	482,163
Lard	1354,442	242,897
Cocoa and preparations of cocoa	1,057,306	179,818
Mustard	216,434	44,707
Coffee (when prepared or roasted, etc.)	268,100	35,365

	Value of Imports.	Duty Collected.
Pickles..	456,546	1,166,651
Spices..	378,568	50,643
Total..	$53,679,793	$11,367,172

Mr. W. T. WHITE: And for 1910 and 1911, how much?

Mr. LEMIEUX: I have not got that.

Mr. WHITE: Any less?

Mr. LEMIEUX: I am sure my hon. friend will issue a list of some of these.

Mr. WHITE: It would not be difficult.

Mr. LEMIEUX: That is no excuse. My hon. friend has passed the age of saying: You did it; you are another. He is a statesman, and has promised to give this country prosperity, good times, cheap living, for all consumers. Besides, in 1910 and 1911 there was no question of high cost of living.

Mr. WHITE: Oh, was there not?

Mr. LEMIEUX: There was money all around, there was prosperity and general contentment, whereas, as I have stated, the refuges and the hospitals in Montreal are now filled every day and every night, with the bread-liners and the bread-rioters. These articles were imported into Canada because they could not be obtained here, either at all or in sufficient quantities to meet a real need. One-fifth per cent has been added to the cost of living on these foodstuffs before they are permitted to pass from the importer to the consumer. The Government has completely ignored the consumers in the present Budget. The favoured ones are the food monopolies —the canners' combine, the cold storage men, the packers, and the big commission houses. The farmer, the Government say, is also entitled to protection. It is always very clever to argue the farmer into the protective system. It is always with flowery words that you put the collar of serfdom around the neck of the farmer. Of course, the farmer is entitled to protection, and I will show in a few moments how you can protect him; but have you forgotten that the farmer is also a consumer? He pays duty on sugar, on rice, and on several other commodities which he does not produce, and he would be quite happy if that article which our country cannot produce should come free into Canada. I listen to the voice of the farmer when I want to know his desires, his inclinations, and what does he say? I was very much impressed when last fall the farmers of the West and of Ontario invaded the council chamber of this Dominion; I was impressed by the memorial which they presented to my hon. friend the Minister of Finance. Here were the tillers of the soil, the men who represent more than half the population of Canada; what language did they speak on that occasion:

> We submit that the wider market afforded us by accepting the offer of the United States for free interchange of natural products would have the same effect in stimulating the raising of wheat, oats, barley and flax as free access to the United States market for cattle has already done for that line of farming enterprise, not only because it would provide another market for grain, but also it would provide a competitive route for transporting grain to Europe. We ask that all foodstuffs be placed on the free list, as we believe that the taxing of food is a crime against humanity.

These words have been jeered at by some hon. members, but who can deny that they were the honest statement of the great farming community of Canada?

Let me quote here the words of Pierce on tariff, one of the great authorities on fiscal questions. He deprecates the lack of public spirit in those high tariff countries where the writers have words of praise only for the wealthy and the few. He says:

> You would think from the current discussion of economic subjects that the only matter of interest to the American people was the wealth and prosperity of the great corporations, and that the welfare of the consumers, the great body of the people, was a matter of little importance. It seems to me that it is about time for a full review of the question from the standpoint of the consumer. Government cannot at one and the same time be a fountain of generosity to the manufacturer and of justice to the consumer.

Let me engrave this crisp sentence in the noble head of my hon. friend the Minister of Finance:

> Government cannot at one and the same time be a fountain of generosity to the manufacturer and of justice to the consumer. Privilege in any country is not for the many but for the few, for the simple reason that when privilege is expanded to the consumers, who are the entire body of the people, it is no longer privilege. The richness of the soil and of mineral deposits and the natural advantages in our country have made the lot of man so fortunate, and the absolute freedom of trade between our states and territories has tended to mitigate the burdens of protection so greatly, that the ordinary man, absorbed in his work, heeds but little the extortions which protective tariffs impose upon him until, perchance, hard times come and he feels the sting of want.

He adds:

> The result is to rate low the rights of the whole people and to rate high the interests of a class.

I would say, reading the last changes in the customs tariff, that my hon. friend has rated low the rights of the consumers and has rated high the interests of the manufacturers.

I said that the present Government was responsible partly but, since the new tariff, chiefly for the high cost of living. I have explained how, in my humble judgment, you can reduce the high cost of living by reducing taxation. Now, how can we face the hard times? I will not say that the Government is wholly responsible for the hard times. I must be a Christian and honest, but surely the Government cannot face the hard times by increasing expenditures, or it then is guilty prima facie. It can face the hard times by decreasing expenditures. That is what you, Mr. Speaker, preached honestly, when you sat on this side of the House, and your silence at present is very eloquent.

Let us take the Departments of Public Works, Interior and Militia. Here is a list of expenditures for these departments for the last two years and for the present year. I am not going into past history; I am giving my hon. friend what happened in 1911. In 1911 the expenditure on public works was $10,818,834. In 1912, when the brilliant Minister of Finance—forty-seven years old—emerged from that meeting of the 'noble eighteen' in Toronto and became the new leader of fiscal opinion, the expenditure on public works jumped to $11,651,947. In 1913, it went on to $13,158,677; in 1914, estimated $18,000,000; and in 1915, to be voted $20,330,048.

It is worse in the Militia Department, and to this I call the attention to my pacifist and peaceful friends from the counties of Ontario, where militarism is no more popular than in the counties of the province of Quebec, at least among the farmers. For, when I speak of Ontario, I must be careful: Toronto is not Ontario; there are thousands and hundreds of thousands of farmers in the province of Ontario who deprecate this enormous expenditure through our Militia Department to-day. In the last year of Liberal rule, the expenditure on militia was $6,868,651. And poor Sir Frederic Borden, then Minister of Militia, was branded a spendthrift and was roasted to death in this House of Commons here by your associates, Mr. Speaker, (Mr. Blain)—you were generous, humane and christian, you avoided all such bitter criticism; but your associates declared that he was a spendthrift because he asked $6,868,000 for militia purposes. But what would the good farmers of Peel, of Grey, of Grenville—not to speak of Terrebonne—say if they knew that under the present Minister of Militia (Colonel Hughes), the expenditure increased to more than $9,000,000 in 1913. But not satisfied with this the minister jumped it higher in 1913-14 and spent almost $11,000,000 on militia, exclusive of what was spent on drill halls and armouries. Not to speak of the bonnie Bel-air scandal, I say that this expenditure as it runs now under the direction of our Minister of Militia, is simply pure madness. The farmers of this country do not approve of it. We all stand for moderate militia expenditure. We are not against a reasonable expenditure for militia purposes; but I say that in the face of the hard times through which we are passing and with the peaceful spirit existing in this country, to spend lavishly as the Minister of Militia is pending for militia purposes is pure folly. An expenditure of $11,000,000 is almost scandalous, but he will reach more than that next year. The minister's own trips to Europe are to say the least Quixotic. The list of his honorary colonels—by the way—I do not know whether the Minister of Finance wears the plume and the gold-braided uniform—this list as published in 'Hansard' the other day—is simply a farce. If I were a soldier or an officer in His Majesty's army in Canada, I should be ashamed to think that every Tom, Dick and Harry, every wire-puller or ward politician, can become an honorary colonel under the benign rule of the Minister of Militia. Sir, this expenditure on militia has reached the breaking point, and you know it, Mr. Speaker, and the good farmers in Peel county know it. Militarism is not condemned only by pacifists or by Norman Angell's disciples—and they are many—but by the statesmen of the whole world. I was reading the other day the Contemporary Review of London, and there I read that Count de Witte, who established Russian finance on the solid basis which enabled that country to bear the strain of the war with Japan, with the ensuing general strike and the so-called revolution, used the following language:

> When I try to realize what is meant by the 'peace' of to-day, I feel tempted to call it economic war. Certainly it is little better than war. Speaking without exact figures, I should say that some 40 per cent of the outlay of the various States is absorbed by the armies and navies which are to carry on the great campaign of the future, and by the debts left by the campaigns of the past.
>
> Sketch a picture in your mind's eye of all that these sums, 'if propertly spent', could

effect for the nations who now waste them on heavy guns, rifles, dreadnoughts, fortresses, and barracks. If this money were laid out on improving the material lot of the people in housing them hygienically, in procuring for them healthier air, medical aid, and needful periodical rest, they would live longer and work to better purpose, and enjoy some of the happiness or contentment which at present is the prerogative of the few.

In this I have quoted a statesman who belongs to a nation which hardly knows parliamentary government and liberty, the great nation of Russia. Now, let us come to the nation of all nations, Great Britain, the Mother of Liberty, and the Mother of Parliaments, and let me quote the language of the Chancellor of the Exchequer of that country, the right hon. David Lloyd George. Speaking on the 1st of January last, he sent the following message to Europe at large:

Pointing to the enormous burden which armaments impose on the taxpayer, and to the fact that the growth of armaments still leaves the nations in the same relative strength, Mr. Lloyd George thinks that the present is the most favourable moment in twenty years for a policy of retrenchment.

He cites three reasons:

First, Great Britain's relations with Germany are more friendly than for many years, both realizing that there is nothing to gain and everything to lose by a quarrel.

Second, all the continental nations are now directing their attention to strengthening their land forces, Germany having realized that her exhaustive attempts to develop her naval power must give place to improving the army, which is vital to the existence of the Empire.

Third, the spread of revolt against military oppression throughout Christendom, certainly throughout western Europe.

The third reason Mr. Lloyd George considers the weightiest of all, and he believes that this is the right moment for a bold step towards the restriction of the growth of armaments, and thinks it imperative that in the highest interests of civilization he should seize it.

There, you have opinion from the two poles of parliamentary government, you have it from Russia and you have it from Great Britain. And, while in Russia and in Great Britain they are deprecating increased expenditure for military purposes, in Canada, a young nation, at peace with its only neighbour, at peace with the whole world, a nation striving for peace and seeking only the prizes of peace, we are increasing wantonly and shamelessly the expenditure on armaments. I say it is a scandal, and the Government should put a stop to such ridiculous expenditure as that now proposed by the Minister of Militia.

Mr. BURNHAM: Does my hon. friend prefer to go by what the Czar of Russia and Mr. Lloyd-George say, or by what they do? The Czar of Russia is increasing vastly his military forces and is aspiring now to have an immense navy; Lloyd-George is consenting with the rest of the ministers to a large increase in the naval Budget of the old country.

Mr. LEMIEUX: Which proves, indeed, that in both countries there is madness amongst the scaremongers. Sir, the best minds in England and in Russia are trying to stop that expenditure. If my hon. friend wants to know the opinion of Canadians on this subject, let him go before the farmers of Peterborough, and they will tell him whether they approve of that expenditure or not. We are told that free food deprives the farmer of protection. Well, can you not recoup him by reducing the cost of production and by giving him free implements? I can only repeat here briefly the arguments which have already been adduced by some of my colleagues from the West. I said a moment ago that between 55 and 65 per cent of the population of Canada was engaged directly or indirectly in agriculture. From the soil is extracted the produce which provides the purchasing power for manufactured goods and leads to diversified industry. Canada is the greatest farm in the world to-day. It has the largest consecutive wheatfield in the world, 900 by 300 miles. Her western fields form an empire, and a world granary. Her far-flung West is a melting-pot of the nations. Winnipeg, to use the language of Sir William Van Horne, is the spout of the thousand-mile hopper between the Rockies and the prairie capital. The eyes of the world are on this nation in the making; her prosperity depends largely upon the farmers' welfare.

Let me give the House a few figures, which I take from the speech delivered the other day by the hon. member for Edmonton (Mr. Oliver). I am bound to say that the members from the West, generally speaking, are exceedingly very well informed on the tariff question. One hundred and fifty-four million acres have been selected by the Government in the West on account of their suitability for cultivation. In 1901 only 2,500,000 acres were under cultivation; in 1911 there were 17,500,000. That, in a large degree, caused the great prosperity of Canada—during the fifteen years the right hon. leader of the Opposition held the reins of power. The crop of last year yielded 466,000,000 bushels, worth $180,000,000, so that with twelve per cent only of the area suitable for cultivation, the great Canadian West produced $180,000,000 worth of crop. What will it be when the 154,000,-

000 acres are occupied and tilled by Canadian farmers? We can then supply the whole world. But the production must be profitable. We have our competitors; I saw the figures in the excellent report of the Grain Markets Commission of the province of Saskatchewan—a most lucid and able report on the wheat and transportation question, which I commend to every member of the House. We have competitors in India, Russia, Argentine, Italy and Australia.

Mr. EDWARDS: And the United States.

Mr. **LEMIEUX**: The United States too. We must make the production as profitable as possible so as to enable our Canadian farmers to meet their competitors on the other side of the water. The Government can reduce the cost of production, and how? By reducing the cost of agricultural implements. High tariffs will always bring stagnation where there was prosperity in a farming community. The homestead entries have gone down; there were 10,000 less homestead entries for the year ending March 31, 1913, than there were for the year ending March 31, 1911. Land sales have also gone down; they were only 9,000,000 acres in 1913, as against 19,000,000 acres in 1911. I say these are facts and data which go to prove that unless this Government will reduce the cost of production by reducing the duties on implements, the West is doomed—the West is sacrificed. But we are told—of course it is small politics always to revert to the past to explain present circumstances—we are told: your reciprocity agreement gave less than the present reduction of 5 per cent. This is no argument. We are in 1914, not in 1911. For our shortcomings we are here and you are there. Conditions have changed, and besides, we must take the reciprocity agreement as a whole. It covered a vast field of interest. The farmers of the West were well satisfied with even a small reduction of 2½ per cent on agricultural implements, considering the boon that they were receiving by the whole of the reciprocity pact—the long free list, the benefits of which were to accrue to the farmers and the consumers of this country. To-day they have no market—we offered them the greatest market in the world. My hon. friend knows that Mr. Underwood in his tariff has removed entirely the duty on farm implements going into the United States, thus giving the American farmer an advantage over the farmer on this side of the boundary line. I am not surprised that the American settlers are leaving the Canadian West and returning to the United States. What are the figures? I was astounded the other day, when the hon. member for Assiniboia (Mr. Turriff) gave these figures to the House, to learn that there were more farmers leaving the West for the United States than there were farmers coming from the United States into Canada. Let me repeat the figures: In 1907-8 there went from Canada to the United States 58,000 farmers and there came from the United States into Canada 58,000 farmers. In 1908-9, 84,000 went from Canada to the United States and 59,000 came from the United States into Canada. In 1909-10, 94,000 went from Canada to the United States and 103,000 came from the United States into Canada. In 1910-11, 105,000 went from Canada to the United States and 121,000 came from the United States to Canada; in 1911-12, 107,000 went from Canada to the United States and 133,000 came from the United States to Canada; in 1912-13, 143,000 went from Canada to the United States and 139,000 came from the United States to Canada. I am not surprised that the American farmers are leaving the Canadian fields for the greener fields of the United States, in view of the fact that the Underwood tariff gives them this preference.

Mr. LALOR: The figures are those of farmers?

Mr. LEMIEUX: Yes. I took them from the Grain Growers' Guide, a most reliable authority. I am not against the manufacturers of agricultural implements. Why should I be? They are very industrious Canadians. They have done well for the country and the country has done well by them in the past. They have built up a splendid industry. I am not against them but I say that at the present time they can hold their own very well. First of all they are masters of the Canadian market, secondly they compete successfully in the world's markets. They compete and hold their own with the United States in Great Britain, in Australia, in France, and even in Russia. Canadian mowers, threshers, cultivators and ploughs hold their own against similar American implements in all those countries. It was a source of great pride to me when travelling through South Africa, Japan, France and England to see Canadian agricultural implements being used by the peasantry of those countries. If our implement manufacturers can compete in the world's markets surely they can stand a little reduction in the tariff which would

give our Canadian farmer a chance to produce at less cost, thereby increasing his purchasing powers. Taking manufactured goods as a whole we import ten times as much as we export. In 1913 we exported manufactured goods to the value of $43,692,700 and we imported goods to the value of $462,461,000 in round figures. The contrary is the case in regard to agricultural implements. In 1913 we imported to the value of $4,445,000, and we exported to the value of $6,152,000, which shows conclusively that this industry is no longer in the infant stage, that it stands on a different basis altogether from other industries. I quite understand that in 1879 and for some years afterwards the implement manufacturers were entitled to some measure of protection, but my hon. friend knows that their business grew and that they gradually became masters of the Canadian market and can now compete in the world's market. As that took place we made reductions, in 1897 for instance, and I think the present Minister of Trade and Commerce made a little reduction when he revised the tariff in 1893, but I am not positive as to that. My hon. friend finds some consolation in saying: Oh well, the United States tariff and the Canadian tariff compare very well. The Minister of Finance the other day, said we were not overburdened with a high tariff as the United States tariff worked out at an average of 26 per cent, which is about the Canadian average. He said that, to convey the impression that the Canadian workingman has to pay just as much in duty as the American workingman. With all due respect to my hon. friend, that is a very false impression to convey to the poor ignorant workingmen of this country. But even the poor ignorant workingmen and the poor ignorant farmers will see through that argument. The hon. minister takes no account of the free list in the United States. That is the crux of the whole question. The average duty in the United States may be about the same as the Canadian duty for those things on which the American has to pay duty. In Canada the duties apply to everything, while in the United States the tariff is taken off the necessaries of life. The people of the United States have free food, free agricultural implements; many important building materials, including cement, are free, and a vast variety of miscellaneous commodities. Everything in our neighbour's free list has to pay a heavy duty coming into Canada. Bread, meat, fish, milk, cream, eggs, potatoes, fruit, coal—the principal things that enter into the high cost of living—are all on the free list in the United States, but every one of them has to pay a heavy duty coming into Canada. That is the difference. If my hon. friend wishes to compare the Canadian and American tariffs, he must first of all exclude the United States free list, and then compare the duties on both sides of the line.

What has been the effect of the Underwood tariff in the United States? Our friends opposite, and especially the Conservative press, boast that the Underwood tariff has had no effect whatever on the cost of living in the United States, and they even gloat over its so-called failure. It is a little early to judge of the effects of that tariff, but we know one thing, the days of high protection in the United States are past, and past for ever. If you wish to know what are the effects of the Underwood tariff—and it is very well to consider that point—read the article in Bradstreet's, March 14, 1914, headed: 'Another Fall in Commodity Prices.' It reads in part as follows:

For the third time this year—

Mind you, the tariff has been in force just about six months.

—Bradstreet's index number of commodity prices has followed a downward course. The fall is very slight, only three-tenths of one per cent for the interval between February 1 and March 1. . . . Though the changes in each division are comparatively light, weakness has acted to a greater extent than firmness, but an analysis of the diverse movements within the groups will be more apropos when we come to consider the individual factors. In any case the present index number is the lowest reported since October of 1911.

That is the effect of the Underwood tariff in this year of grace, 1914.

11 p.m.

and it is lower than the numbers reported on March 1, 1913, 1912, 1910 and 1907, on which date in the last-named year prices touched a high point for the period 1892-1907.

Let me give a list of the commodities which have decreased in price since the Underwood tariff came into force:

Wheat, rye, flour, sheep, live, mutton carcasses, beef, butter, lard, coffee, sugar, peas, lemons, raisins, currants, hides, wool O. and Pa. wool, Australian, hemp, flax, print cloths, pig iron, eastern, pig iron, southern, pig iron Bess., steel billets, tinplates, steel beams, silver, copper, lead, tin, quicksilver, anthracite coal, Conville coke, southern coke, castor oil, olive oil, rosin, tar, brick, nails, glass, yellow pine, hemlock timber, carbolic acid, hops, rubber.

I just quote a few; I need not quote any further. Bradstreet is a well-known

authority. The main fact stands out that since the first of the year the price of commodities has materially decreased in the United States. I will also recommend to my hon. friend to read an article published on page 223 of the December World's Work by Mr. Arno Dosch, a well known economic authority in the United States. It says:

> How business is standing tariff reduction. I have just finished interviewing dozens of manufacturers to find out what effect the new tariff is likely to have upon industry.

I have never read anything so interesting as that which has been published here by Mr. Dosch on the effect of the tariff on the industries of the United States.

Mr. LALOR: Does the hon. gentleman think that the reduction of duties on food products has reduced the cost of living?

Mr. LEMIEUX: This is not limited to food products, as the writer speaks of the effect on manufacture. I shall read a few lines further to enlighten my hon. friend:

> I found that there is no indication of even a temporary depression in business. No mills have been forced to close on account of it; on the other hand, some mills that have been operating on half time have advanced to full time. There seems to be so little likelihood of a slump that the coming year, which 95 per cent of the members of the National Association of Manufacturers pessimistically looked forward to as 'the worst year in the history of American industry', is now expected to be normal. It will not surprise some manufacturers with whom I talked if it proves to be a 'banner' year.

Of course, it is always the same old song; when the Government threaten to reduce duties, the manufacturers come, fill the lobbies of this House, button-hole every member, even the hon. member from Haldimand (Mr. Lalor), and predict that the country will go to the dogs. We have evidence that in the United States not only food products but manufactured products have not suffered by reason of the reduction of the tariff.

Mr. LALOR: What is the date of that article?

Mr. LEMIEUX: December last. Has the hon. gentleman heard of any failures?

Mr. LALOR: I know of very great depression in the United States and everybody knows of it.

Mr. LEMIEUX: My hon. friend does not know that it exists at the present time.

[Mr. Lemieux.]

Mr. LALOR: Does the hon. gentleman know that the New York Central has laid off 25,000 men?

Mr. LEMIEUX: No, but I know that the Canada Car Company has laid off 1,100 men. I know that the Eastern Steel Company has closed. I know that the Angus shops have laid off—where is my hon. friend, the Mayor of Montreal?—have laid off over 500 men and have not yet taken them on again. I know less about the Americans—I am such a good Canadian, although I favoured reciprocity.

My hon. friend, the Minister of Finance, said that the increased trade was a matter for congratulation. Well, a further increase must therefore be sought. Nobody objects to our cattle and our oats going to the United States. Wheat is also a staple product and it must be exported because we cannot consume it all. The duty is practically an export duty, and the Government can remove it by a stroke of the pen. The West clamours for it. The Manitoba legislature—a good Tory legislature—unanimously voted for free wheat. We are told that free wheat is free trade and that free trade will destroy all our home industries. Is the Canadian home market destroyed by increased trade with the United States? Has free trade destroyed the industries of the Mother Country? Mr. Speaker, free wheat is refused to please the railway and the milling interests—the railway interests because the wheat would be diverted southward, while it is claimed that the trade should continue eastward and westward. That is an old cry. We heard about it in the eighties, at the time of the discussion of the monopoly clause in the Canadian Pacific railway contract, and of the Manitoba Acts designed to nullify it. Clause 15 of the Canadian Pacific railway contract with this Government read as follows:

> For twenty years from the date hereof no line of railway shall be authorized by the Dominion Parliament to be constructed south of the Canadian Pacific railway from any point at or near the Canadian Pacific railway except such line as shall run southwest or to the eastward of southwest, not to within 15 miles of latitude 49.

That was against north to south trade. There was but little wheat grown then in the West, and population was small and scattered, yet this was a restriction which the Manitoba people rightfully resented. Acts were passed by the Manitoba Legislature the practical effect of which was to defeat the monopoly clause. The various

Acts of the Legislature were disallowed by the Canadian Government, but in 1887 a line was built to the boundary line and the monopoly clause was repealed. Yet the Canadian Pacific railway has prospered as no other railway corporation has prospered since.

Our railway system will thrive with free wheat because the Canadian route is the shortest between Winnipeg and Liverpool. Winnipeg freight will be shipped by way of the United States, but also by way of Canadian ports. The distance between Winnipeg and Liverpool, via Montreal, is 4,174 miles, while the distance via Minneapolis, Chicago and New York is 4,826 miles, or 652 miles in favour of the Canadian line. The Canadian importer will always take the shortest line—the Canadian line—and I think that the American exporters from the West will also ultimately take the Canadian line. Although we send much of our export grain by way of the United States, I have in my hand a report which shows the quantity of American grain that was exported through Canadian ports from the years 1908 to 1912. In 1908 we exported from Montreal 10,908,194 bushels of American grain. In 1912 there was a great reduction, only 7,333,494 bushels of American grain being exported by way of Montreal. Why do the Americans export by way of Montreal? Because it is the shortest and best route between the American continent and Liverpool, the great wheat market of the world. There is no fear that the Canadian railways will ever suffer if free wheat is granted to the Western farmer.

The hon. member for St. Antoine (Mr. Ames) spoke of the wider markets which were ultimately to be given to the Canadian producer, and he said: Wait for the report of the imperial commission. By the way, I might remind him that that imperial royal commission was created at the suggestion of the right hon. Sir Wilfrid Laurier, when he so worthily represented Canada at the Imperial conference in 1911—my imperialistic friend from St. Antoine should have included that in the hereditas damnosa of the Liberal party. I should pay my hon. friend (Mr. Ames) the compliment of saying that there is no keener business intellect on the other side of the House than he possesses, and with his keen business instincts the hon. gentleman knows the limitations of our inter-imperial trade. I do not speak of our trade with Great Britain, I speak of our possible trade with Australia, New Zealand, South Africa and the West Indies. Possibly the hon. member (Mr. Ames) meant our future trade with Great Britain, although already Great Britain is our greatest market, and no doubt he had in mind the possible contingency of a reciprocal trade between Canada and Great Britain. On that point, I wish to remind the hon. member of a very crisp sentence uttered not very along ago by his friend and our friend, the present First Lord of the Admiralty. I read occasionally the reports of the Tariff Reform report in Great Britain, which is published from the Chamberlain point of view, and on page 11, on No. 50 of that docunment I read:

> **And, foremost in this free trade policy, was the determination to refuse preference. Not a farthing preference on a single peppercorn, was Mr. Churchill's concise summary of the Liberal policy.**

Not a farthing preference on a single peppercorn; that was the crisp rebuff of the First Lord of the Admiralty, who last year wanted to launch Canada into a beautiful policy of annual contribution to replenish the coffers of the Admiralty. Not a farthing preference on a single pepercorn, that is Mr. Churchill's answer to my imperialistic friend (Mr. Ames), who is always advocating the possible contingency of reciprocal trade between Canada and Great Britain. I do not claim to know much about British politics, but I read enough to know that in England, first of all the great Liberal party is opposed to food duties which reciprocal trade implies; the Labour party is opposed to it; the Conservative party—not the Carson party, not the 'last ditchers,' but the Conservative party of the great school of Salisbury and Disraeli—are opposed to food duties. We shall have, therefore, to wait a long time before my imperialistic friend from St. Antoine (Mr. Ames) secures for Canada, through the instrumentality of this Government, the benefit of reciprocal trade between the mother country and us. It is safe to say that the British consumer will never tax his bread, even for the sake of the overseas dominions. John Bull—let us give him credit for it—John Bull has a good heart, John Bull is a great ruler, but on business matters John Bull looks after number one; take the embargo on Canadian cattle, for example.

Mr. MORPHY: That is protection in a free trade country.

Mr. LEMIEUX: It is a pretext.

Mr. MORPHY: No, it is protection in a free trade country.

Mr. LEMIEUX: It is a pretext to aid the cattle industry.

Mr. MORPHY: It helps the Irish farmers.

Mr. LEMIEUX: It is, I know, intended to benefit the farmers of the North of Ireland, who want to get volunteers from Canada at the present time, whilst they will prevent Canadian cattle being sold alive on the British market. I have said, Sir, that this policy of reciprocal preference has failed. The policy of Canada on that question was set forth very clearly and in unmistakable terms at the Imperial Conference in 1902 by the Right Hon. Sir Wilfrid Laurier, or Mr. Facing-Both-Ways, as the Tory press called him during the election of 1911. But while the jingoes of Canada were shouting and shrieking about imperialism, the Liberal party in Canada, represented by their leader, were proposing to the British Government a mutual preference in the following language, which I quote from the official report:

> **The Canadian ministers stated that if they could be assured that the Imperial government would accept the principle of preferential trade generally, and particularly grant to the food products of Canada in the United Kingdom exemption from duties now levied, or hereafter imposed, they, the Canadian ministers, would be prepared to go further into the subject and endeavour to give to the British manufacturer some increased advantage over his foreign competitors in the markets of Canada.**

That offer was there during ten years of our tenure of office, and the offer is still on the blue books of the Imperial Conference before the home authorities. And nothing has been done in England, except the answer given by Mr. Churchill: not a farthing of preference on a single peppercorn! Let me add that I suspect that the friends of my hon. friend from St. Antoine, the rich manufacturers of Montreal, the multi-millionaires of Montreal, while they are in words in favour of an Imperial preference are at heart the most strenuous opponents of that policy. And why? It is because the gist of the whole case, in the words of Mr. Chamberlain, is: we will tax our bread, we will tax our food, but you will not manufacture in Canada, and we will supply you with our manufactured goods. That is called the hidden list; my hon. friend (Mr. Ames) knows about it, and if he wants more information let him read one of the latest publications by Mr. Richard Jebb, who is a very ardent imperialist. I remember that during the first session of this Parliament my hon. friend the Minister of Finance avoided speaking about the increased trade between Canada and the United States. He thought he should not mention that in his Budget after the reciprocity campaign. Increased trade with the United States was supposed to mean something very near annexation. Indeed, it was the battlecry in the last campaign, and it carried many constituencies. According to the Budget figures, Canadian exports to the United States increased from $112,000,000 in 1911 to $161,000,000 in 1913-14. In the same period imports from the United States increased from $274,000,000 to $361,000,000. The aggregate trade between the countries was $386,000,000 in 1911, and it reached $523,000,000 in 1913. Canada is the second greatest customer of the United States to-day, Great Britain being first. Canada is fifth in her sales to the United States. This is the crushing answer to the ignominious cry of annexation. The only annexation movement in Canada took place around 1849-50, and that movement, as my hon. friend who reads history, ought to know, was defeated by what? It was defeated by the granting of a reciprocity treaty to Canada and the United States. There is nothing eternal in a trade agreement. It cannot imperil our nationality, and the party which believes that high tariff makes for nationality does not know that high tariff is a sorry substitute indeed for loyalty My hon. friend said that the gage of battle was given; that he was ready to accept it; that he was ready to fight free trade as against protection. I think the wish is father to the thought. This false cry of free trade, which does not exist in this country because, as we have to derive our revenue from indirect taxation, we must have a moderate protection, is meant to be used against the Liberal party. If we were to accept the traditions of good old England, we would accept the gage of battle; we would stand for free trade, because free trade has made England what it is to-day. But we live in America and we have to follow the traditions of the American continent. We cannot have free trade in Canada. We are wedded to a system of moderate protection as long as we raise our revenue by way of indirect taxation; but can we reduce taxation? Yes, we can reduce taxation, as I have shown a moment ago; we can also curb some of the monopolies, and that is the aim of the Liberal party. I speak only for myself of course. I am a moderate protectionist. I say that protection must exist in our country as

long as we have to raise a revenue by way of indirect taxation. We cannot have free trade as they have it in England. It is the ideal; it is the best thing; but we cannot have it. The words of President Woodrow Wilson in his book, The New Freedom, apply exactly to our conditions. Discussing this very question of free trade versus protection, he uses the following language:

But 'Ah!' exclaim those who do not understand what is going on, 'you will ruin the country with your free trade!'

Exactly the language of my hon. friend the Minister of Finance.

Who said free trade? Who proposed free trade? You cannot have free trade in the United States, because the government of the United States is of necessity, with our present division of the field of taxation between the federal and state governments, supported in large part by the duties collected at the ports. I should like to ask some gentlemen if very much is collected in the way of duties at the ports under the particular tariff schedules under which they operate. Some of the duties are practically prohibitive, and there is no tariff to be got from them.

He says a little further on:

Let me repeat: there cannot be free trade in the United States so long as the established fiscal policy of the federal government is maintained. The federal government has chosen throughout all the generations that have preceded us to maintain itself chiefly on indirect instead of direct taxation. I dare say we shall never see a time when it can alter that policy in any substantial degree; and there is no Democrat of thoughtfulness that I have met who contemplates a programme of free trade.

But what we intend to do—

And here is where I find the application for Canadian conditions:

—what the House of Representatives has been attempting to do, and will attempt to do again, and succeed in doing, is to weed this garden that we have been cultivating. Because if we have been laying at the roots of our industrial enterprises this fertilization of protection, if we have been stimulating it by this policy, we have found that the stimulation was not equal in respect of all the growths in the garden, and that there are some growths which every man can distinguish with the naked eye which have so overtopped the rest, which have so thrown the rest into destroying shadow, that it is impossible for the industries of the United States as a whole to prosper under their blighting shade.

Speaking for myself, I say that, applying the words of Woodrow Wilson to Canadian conditions, I find perfect equanimity and satisfaction in them. The battle is not between free trade and protection; it is against the food monopolies, the high tariff interests. It is against the trusts and the combines.

Mr. LALOR: Is the Fielding tariff the platform upon which my hon. friend stands?

Mr. LEMIEUX: The Fielding tariff gave the British preference of 33⅓ per cent less duty upon articles imported from Great Britain. That was reduction; that was a cut, so much so that the manufacturers were deadly opposed to it.

Mr. LALOR: That is not an answer to my question. Is the Fielding tariff the moderate protection my hon. friend proposes should be adopted?

Mr. LEMIEUX: There is nothing eternal in a tariff; it changes according to circumstances. The Fielding tariff was good for the time being and must be judged by its effects. Did it not give prosperity to the country? It made my hon. friend a millionaire.

Mr. LALOR: I wish it had.

Mr. LEMIEUX: I hope he will be a Senator before long and will meet his friend, Sir Lyman Melvin Jones, in the Senate. If you scratch a Russian, you find a Tartar; if you scratch a high protectionist, you find generally a jingo.

Mr. BURNHAM: If you strike a free trader, what then?

Mr. BUREAU: You find an honest man.

Mr. LEMIEUX: With all due respect to the Minister of Finance, I have already said in my opening remarks that this Budget is a most reactionary one, a Budget for privileges and the interests, for the combines and the trusts. It gladdens the hearts of the protectionists; it strongly appeals to the Tories. But, in his bounty to both the interests and the Tories, my hon. friend, the Minister of Finance, has overlooked the claims of the Imperialists—I mean the jingoes—on this Government. My hon. friend from Brantford (Mr. Cockshutt), who I regret is not in his seat, in his concluding remarks the other evening, after having extolled protection and its exponent, the hon. Minister of Finance, expressed his deep sorrow that this Government had not seen fit to tap our treasury in order to replenish by way of contribution the coffers of the Admiralty. That I may do him no injustice, let me quote his words:

As a humble Canadian who occasionally goes to the mother country, I feel almost ashamed to step on the wharf at Liverpool while we are doing all the talking and none of the acting—while we are making promises of loyalty, promises of support, and giving everything in the

way of encouragement by word, but in deeds not a cent.

Sir, I appreciate the feeling of deep humiliation under which my hon. friend is labouring. The shame must not and cannot be his, however. He, no doubt, is sincere though misguided in his policy of contribution. But what must he think of his leaders who first advocated the speedy construction of a Canadian navy, then, for party purposes, receded from that position and allied themselves with a faction unalterably opposed to all naval aids to the mother country? What must he think of the ministers who, having pledged themselves to consult Parliament or the people before promulgating a permanent naval policy, deliberately and without any mandate to that effect, sprung on Parliament under the plea of a sham emergency a contribution of $35,000,000—the first of a series of like nature? What must he think of the moral courage of a Government which dares not appeal to the people from the adverse decision of Parliament in order to secure the mandate it has not on the naval question? No, Mr. Speaker, let not my hon. friend be deceived by his sincere feeling of humiliation; the shame is the Government's, not his. His leaders are primarily responsible for the present impasse. To obtain office they played fast and loose with the naval question. I can only add this: No mercenary contribution will satisfy the ideals of Canadian nationhood; our young and vigorous country will never be reduced to the rank of the Malay states; in naval as well as in military matters, this Dominion claims its absolute autonomy.

Besides, there is a more pressing question which invites our attention; the emergency of the high cost of living must be faced and settled. The real enemy—and my hon. friend the Minister of Militia need not knock about to look for it—is hard times; and we must repel that enemy. The real problem is wider markets for the farmers of Canada. We must grapple with that problem, and we must solve it.

Sir, within a short period the world will witness a spectacle of unique impressiveness. Great Britain, Canada and the American Republic will celebrate their hundredth anniversary of peace. The world will know that here in North America, far from European entanglements, two nations made up of the best races in the world, have been living blessed with the peace of a century along a frontier four thousand miles long. The world will know that over that unlimited boundary line not a shot has been fired in anger, not a sentinel has been mounting guard, not a cannon has frowned across the border from either country. The world will know that the two democracies, issuing from a common origin, professing the same faith, pursuing the same ideals of freedom and justice, have cordially accepted the ennobling principle of arbitration as the settlement of differences.

Would it not be fitting, Sir, that on this memorable occasion, the Canadian Government should so readjust our tariff as to remove such customs taxes as at present overburden the tillers of the soil and the consumers of Canada ?

On motion of Mr. J. A. Macdonald Armstrong, the debate was adjourned.

On motion of Mr. Rogers, the House adjourned at 11.40 p.m.

Thursday, April 16, 1914.

The House met at Three o'clock, the Speaker in the Chair.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

TOBIQUE INDIAN RESERVE.

Mr. CARVELL:

1. Has the Department of Indian Affairs settled with B. Frank Smith for the lumber cut or received by him from that portion of the Tobique Indian reserve north of the Tobique river, since March 31, 1913?
2. If so, what amount of lumber was cut and how much is to be paid therefor?
3. Has the said amount actually been paid in cash?
4. Has the said department settled with said Smith for the lumber cut by him on the south side of said Tobique river since March 31, 1913, outside of, and not included in the four lots of land sold to him outright?
5. If so, what amount of lumber was so cut, and how much is to be paid therefor?
6. What amount of lumber so cut consisted respectively of green or partly green lumber, and of dry or dead lumber?
7. What rate of stumpage was charged him for green or partly green lumber?
8. Has said amount actually been paid in cash?

Mr. ROCHE:

1. Yes.
2. 7,500 feet hemlock, 19,400 feet spruce, 77 cords wood, $97.40.
3. Yes.
4. Yes.

5. 27,200 feet B.M. hemlock at $3, $81.60; 56,500 feet B.M. spruce at $3.75, $211.87. Total, $293.47.

6. Green or partly green.

7. Answered by No. 5.

8. Yes.

AID TO CANADIAN NORTHERN RAILWAY

Mr. BURNHAM:

What are the dates of authorization by Parliament of the various grants, subsidies, guarantees, etc., set out in reply dated April 1, 1914, to question submitted on Orders of the Day regarding the Canadian Northern railway, etc.

Mr. REID:

Cash Subsidies.

Canadian Northern railway: Swan River section, 1899, chap. 7; 1900, chap. 8; Ontario and Rainy River railway, 1899, chap. 7; Edmonton, Yukon and Pacific railway, 1899, chap. 7.

Canadian Northern-Alberta railway, 1913, chap. 10.

Canadian Northern Ontario railway: Toronto-Sudbury, 1903, chap. 57; 1904, chap. 33; 1907, chap. 40; 1908, chap. 63; Toronto-Ottawa, 1913, chap. 10; Hawkesbury-Ottawa, 1908, chap. 63; Ottawa-Port Arthur, 1913, chap. 10.

Canadian Northern Quebec railway: Garneau-Quebec, 1908, chap. 63; St. Jerome branch, 1908, chap. 63; Rawdon branch, 1907, chap. 40, S. 1-16.

Canadian Northern Pacific railway, 1912, chap. 9.

Halifax and South Western railway, 1903, chap. 57.

Guarantees.

Canadian Northern railway, 1903, chap. 7; 1908, chap. 11.

Canadian Northern Alberta railway, 1910, chap. 6; 1912, chap. 7.

Canadian Northern Ontario railway, 1911, chap. 6.

Lands.

Winnipeg and Great Northern railway, Dominion Lands Act, 1883, sec. 7; R.S.C., 1886, chap. 54, sec. 90.

Lake Manitoba Railway and Canal company, 1890, chap. 4.

Manitoba and South Eastern railway, 1890, chap. 4.

P. BURNS GRAZING LEASE.

Mr. BUCHANAN:

1. Is the report correct that the Department of the Interior intends to open for homesteading a portion of the lease to P. Burns, in township 18, range 21, West of the 4th Meridian?

2. If so, when will the land be opened?

Mr. ROCHE:

1. No decision has yet been reached.

2. If it should be decided to withdraw any lands from the leasehold for the purpose of making them available for settlement, it would be necessary to give two years' notice to the leaseholder.

TENDERS FOR ANKLE BOOTS.

Mr. SINCLAIR:

Referring to an item of $7,897.50, found on page O-132, Vol. 11, Auditor General's Report, paid to Ames, Holden, McCready, Montreal, for boots, what are the names of the newspapers in which the advertisement calling for tenders for this purchase appeared and the dates of the insertions of such advertisement?

Mr. HUGHES: No newspaper advertisement was made. Tenders were invited by circular letter addressed to: The Slater Shoe Co., Ames, Holden, McCready Co., George A. Slater, Ltd., all of Montreal, and the Hart Boot and Shoe Co., Ltd., of Fredericton. The total quantity required was 4,050 pairs; half by May 20, and the remainder by June 15. The contract was divided between Ames, Holden, McCready, Ltd., at $3.90 per pair, and the Slater Shoe Co., at $4 per pair; the latter company's tender offering earlier deliveries. This was the first time tenders for ankle boots had been obtained for about eight years.

INSPECTION OF WEIGHTS AND MEASURES.

Mr. SINCLAIR:

1. What are the receipts from inspection of weights and measures?

2. What is the expenditure?

Mr. NANTEL:

1. From April 1, 1913, to March 31, 1914, $106,522.47.

2. From April 1, 1913, to March 31, 1914, $144,122.98.

UNOPPOSED AND UNDISCUSSED MOTION.

Mr. Proulx.—Return showing how many appointments have been made in the Customs Department at Montreal since the 1st of October, 1911; the names of the persons so appointed, and the dates of their respective appointments; after what recommendations they have been appointed; the salary of each of these new employees; the increases of salaries granted in the same department since the same date, and to whom, and why.

VANCOUVER ORANGE LODGE RESOLUTION.

On the Orders of the Day being called:

Mr. WILLIAM CHISHOLM: I desire to call attention to the fact that question No.

18 does not appear on the Order Paper in the form in which it was first submitted. It has been emasculated. The resolution referred to was set forth, and the questions were directed to it. A resolution addressed to the Premier of Canada, to the Rt. Hon. Winston Churchill and to Sir Edward Carson is surely proper enough to be printed in the Orders of the Day, and a resolution passed by such a body as the Vancouver County Orange Lodge cannot be of such a character that it should not appear in public print. Therefore, I submit that whoever emasculated the question had no right to do so.

Mr. SPEAKER: I understand that it was somewhat irregular in form, and, following the usual practice in regard to long questions, we reduced it as much as possible. I will, however, look into the matter.

Mr. WILLIAM CHISHOLM: I desire to ask that the question be put on the Order Paper in the original form, because the answer cannot be intelligible without the resolution.

Mr. SPEAKER: Of course, the hon. member will understand that questions and resolutions submitted cannot always be put on the Order Paper in the form in which they are presented to the House; if so, they would frequently be irregular. After conference with the hon. member, it will be decided in what form the question will be put.

THE BUDGET.

Consideration of the motion of Hon. W. T. White (Minister of Finance) for the House to go into Committee on Ways and Means, resumed from Wednesday, April 15.

Mr. J. A. MACDONALD ARMSTRONG (North York): Mr. Speaker; I have no intention of imposing on the good nature of the members of this House for more than a few moments, and I would not have craved their indulgence at all but for the fact that I consider it my duty to those who sent me to this House as their representative to place myself on record at least with regard to the more contentious matters in connection with the tariff. The House listened last night with a great deal of attention to the able address made by the hon. member for Rouville (Mr. Lemieux). I for one always listen to that hon. gentleman with a great deal of pleasure—I believe in giving credit where credit is due; in rendering unto Cæsar the things that are Cæsar's. I congratulate the hon. member on having delivered what, to my mind, was a very capable address. As a work of literary art, I think it would class as a masterpiece. I also congratulate the hon. member on his wonderful command of the English language and his extensive knowledge of the Latin tongue, as evidenced by the several Latin quotations he gave last night. I do not pretend to be a Latin scholar, but I recollect the phrase—'Hereditas damnosa.' I noticed that my hon. friend from Rouville repeated that expression several times, and that he laid stress upon the first syllable of the last word. I presume that he sought to convey to this House what he would like to do with the members of the Conservative party if he had the chance. I will willingly and freely congratulate the hon. member on that speech and on the manner in which it was delivered. But I regret that I cannot congratulate him upon the subject matter of that speech. If the hon. member's political epitaph is to be carved or framed according to the standards of that speech, I am afraid it will be this and nothing more: 'He talked much and said little.'

The hon. gentleman did, in one respect, follow the lead given by other hon. gentlemen since the early days of this session; he began by telling the House that there were many, many unemployed in Canada, and that a very unsatisfactory condition of affairs prevailed. He said it with a gleam of satisfaction in his eye. His political partisanship, his desire for political preferment, no doubt overcame his interest in the welfare of the Canadian people. He said that hundreds and thousands of unemployed were walking the streets of Montreal, and that the same condition prevailed in other cities throughout Canada. Apparently he is not satisfied with that condition, but wants to make it worse. According to his own showing, he wishes to recruit the ranks of the unemployed, to see more destitute homes and more hungry children in his native city of Montreal. For, forsooth, he has asked this House to eliminate the duties on agricultural implements. He is not satisfied with the condition of unrest that prevails in the manufacturing world, but wishes to disturb it to a greater extent, to remove any feeling of confidence that may exist, and to compel the manufacturers to retrench further, and to throw more hands out of employment, showing clearly that the hon. member for Rouville and many other hon.

members behind him are willing, in order to bridge the gulf that separates them from the Treasury Benches in this House, to walk over the half fed and half clothed bodies of the wives and children of the artisans of Canada. Hon. members opposite have at last come out in the broad light of day; at last we know where to place them. They have nailed their colours to the mast and have said: we will make a bid for the votes of the farmers of the plains and for them alone. That is what it looks like. They have no regard for the interests of the workingmen. I trust it will be heralded throughout the length and breadth of Canada just how anxious these hon. members are to help the artisans and labourers at the present time.

The hon. member made some very peculiar statements. He said that the big interests won the last election for the Conservative party. Well, there is one big interest we did not have, and that was the interest of the Honourable Lyman-hyphen-Melvin-hyphen-Jones. We did not have it then, and did not want it, and I do not know that we want it very badly now.

An hon. MEMBER: But you have it.

Mr. ARMSTRONG: We won't keep it long. The hon. member for Rouville knows, and so does every hon. member on that side, that the artisans and workmen, the farmers, fruit growers and market gardeners, throughout Canada, from tide-water on the East to the Pacific ocean, were against them on the reciprocity agreement. And the best evidence of that is that the right hon. the leader of the Opposition (Sir Wilfrid Laurier) himself dare not now stand up in his place in this House and declare that he will make reciprocity one of the planks of his platform when he appeals to the people in the next election. That is evidence of the insincerity of hon. gentlemen opposite. They know it was a gold brick, and they know that the people of Canada know that it was a gold brick. But says the hon. member for Rouville: Sir John Macdonald favoured reciprocity.

The hon. gentleman quoted from 'Hansard' of about twenty-five years ago, and in the next breath, in reply to the twitting that had been tossed across the floor of this House with regard to the peculiar stand taken by hon. gentlemen opposite with respect to the five per cent reduction on the duty on farm implements, while under the reciprocity agreement the duty was to be reduced only two and one-half per cent, the hon. gentleman said: 'Oh, this is 1914, not 1911.' He is prepared to go back into the past ages to prove his contention with regard to reciprocity, but he is not prepared to defend the stand that he and hon. gentlemen opposite are taking now as compared with the stand they took only three short years ago. The hon. gentleman went further, and he said that according to the statement of the late chieftain of the Conservative party, Sir John A. Macdonald, the National Policy would remove barriers to larger markets. Well, I think that subsequent events have proven the truth of that prophecy, and as to that I refer the House to the Wilson-Underwood tariff which went into force a few months ago.

Again, the hon. member for Rouville, comparing the two parties, says that the Conservative party sent many pilgrimages to Washington, and that they returned empty-handed, but that the Liberal party sent only one, which returned empty-handed, and, forsooth, Washington thereafter sent her emissaries to Ottawa. I doubt if I ever heard a greater compliment paid to the Conservative party. I am glad to know that the statesmen south of the line have too much respect for the intellectual and political acumen of the Conservative party and the Conservative leaders to think for one moment that they could palm off upon them such a gold brick as the reciprocity pact.

The hon. gentleman, in the course of his remarks, said he would not touch on the naval question. I do not blame any hon. gentlemen opposite for dodging that question as much as possible. But the time will come when they will be unable to dodge it; the time will come when they will have to stand before the bar of public opinion, and the people of Canada from ocean to ocean will, in no uncertain way, show hon. gentlemen opposite what they think of the party who for political purposes will cast a slur upon the Canadian people, and through the dictation of the right hon. leader of the Opposition force a moribund body known as the Senate to throw out the Naval Bill.

The hon. member for Rouville makes another peculiar statement. He says that this Government promised to reduce expenditure, and then he goes on to invite the hon. Minister of Public Works on his next trip to England, to visit the Tower of London and look at those peculiar instruments that were used in earlier days to mete out punishment to those whom he calls

perjurers and impostors. I ask the hon. member for Rouville to take his mind back over the history of his own party; to look over the list of broken pledges and neglected promises; to look over the record of the public treasury plundered and the public domain squandered for the benefit of a few of the political barnacles which were fastened on the Liberal ship of state. I can only say that if the shortcomings of this Government merit the punishment that the hon. member for Rouville mentions, the only punishment which I think would meet the political sins of hon. gentlemen opposite would be the tortures of the Inquisition.

I was never in my life as proud of the fact that I am a Conservative as I have been since the moment the hon. Minister of Finance took his seat after delivering the Budget speech. I am proud to be a Conservative, because once more we can make the proud boast that so far as tariff matters are concerned this party can claim consistency. From 1878 down to the present day the people of the country have known exactly where to find hon. gentlemen on this side of the House; I wish I could say as much for hon. gentlemen opposite. I am almost constrained to pity when I look across the floor of this chamber. First of all I would see, if he were in his seat, the hon. member for Red Deer (Mr. Clark), a very able man, and a pronounced exponent of the principles of free trade. I would see sitting not far from him the hon. member for South Wellington (Mr. Guthrie) who in his heart is a protectionist, and who not long ago informed this House that reciprocity was dead. I would see sitting near him the smooth-tongued, soft-spoken member for Carleton, N.B. (Mr. Carvell), whose honeyed utterances so often have a tendency to pour oil upon the troubled waters of debate in this House. According to the public press, in the city of Hamilton the other day, that hon. gentleman said that reciprocity was not dead. Not far from him I would see the really genial and popular member for Beauce (Mr. Beland), convicted out of his own mouth the other night as being at heart a Conservative so far as the tariff is concerned. I would see also the smiling countenance of the hon. member for Welland (Mr. German), a pronounced opponent of the principles of reciprocity, a gentleman who was man enough to stand out from his party and declare his principles upon the floor of Parliament. Then, last but not least, we have the right hon. leader of the Opposition himself. I do not want to unlock the door of the cupboard and expose to view the old party skeletons; this House has heard about it ad nauseam in the years gone by. I shall only remind the House of the days when the right hon. gentleman, in sonorous voice, proclaimed himself in the market places of Boston as being the Moses of the Canadian people who was going to lead them out of thraldom, and assured the people of the republic to the south that the ultimate aim of this country was independence; that we would break away from British connections as the ripe fruit would drop from the parent stem. I do not want to follow the right hon. gentleman in his varied career; I am not going to dilate upon the time when he advocated unrestricted reciprocity and continental free trade as they had it in England. The right hon. gentleman has turned more political somersaults as far as tariff matters are concerned than any man in the history of this or any other civilized country.

I wish to say a few words with regard to some of the matters upon which hon. gentlemen opposite and those of us on this side of the House disagree with regard to the tariff. I am going to confine my remarks to the two items of free wheat and free agricultural implements, because personally I am not sufficiently conversant with the steel industry in Canada to make any comments upon it. I may say at the outset that hon. gentlemen opposite, especially those who represent western constituencies, have taken, to my mind, a very peculiar view of this question. I listened to the hon. member for Humboldt (Mr. Neely) when early in the session he introduced an amendment to the Address calling for free wheat. I heard the tale of woe of the hon. member for Moosejaw (Mr. Knowles) when he talked upon the question of free agricultural implements. One would think when listening to the wailings of these hon. gentlemen, that that portion of Canada lying between the western boundaries of Manitoba and the foothills of the Rockies was a plague-stricken country. Listening to their lamentations I could almost hear the little children on the side lines and concession roads crying for their daily bread. I could almost see the heart-broken mother, the tears of agony streaming down her cheeks, lifting up her hands in supplication to the great Architect of the Universe and asking that she and hers might be provided with the ordinary necessaries of life. I could see in my mind's

eye the distracted husband and father pacing up and down outside the little shack upon the homestead, tearing his hair and calling down curses upon the head of the right hon. Prime Minister and the other members of the Government because, forsooth, they had not seen fit to grant him free wheat and free agricultural implements. It is passing strange, Mr. Speaker, that, of the hundreds and thousands of sons and daughters of Ontario who left their native province to settle in western Canada, 999 out of every 1,000, when asked would you like to come back, answer, no. Strange, is it not, that they do not want to leave this plague-stricken land, where destitution and poverty are walking hand in hand if we are to heed the baleful wailings of hon. gentlemen opposite. The hon. member for Moosejaw (Mr. Knowles) went further in speaking of agricultural implements and he said that the farmers of Canada, living along the International boundary, could not bear to look across that imaginary line, and I could almost see the tears coursing down his cheeks as he spoke of these men, who could not bear to see the farmers across the line getting their implements a little bit cheaper. Strange, is it not, that, according to the census returns, every year sees hundreds—yes, thousands—of our neighbours from the western States, leaving their farms and coming into western Canada? Strange is it not, that they wish to leave that country where the fields are always green, where the sun always shines, where the tariff always suits them, where agricultural implements and everything they need are so cheap, strange it is to see them leaving a land flowing with milk and honey and coming to this downtrodden and plague-stricken country? It is high time that members of this House realized more fully their duties and responsibilities. I do not see that any good can be gained or any object attained by members from the West trying, as they have done time and time again, to draw a line of cleavage as between Eastern and Western Canada. It must be realized that this country does not consist only of the East or only of the West, but that it is a great confederacy stretching from ocean to ocean, which can only prosper by all the provinces standing shoulder to shoulder, ready to give and take, and to make sacrifices one for the other. In that way alone can we build up here, on the northern half of this continent, a great, free, happy, united and contented people.

I wish to say a word or two regarding another matter, not in connection entirely with the tariff, but of vital importance to the farmers of the whole country; viz, the question of repairs to farming implements. This may be considered a small matter, but any one interested in farming or representing a farming community knows that it is a big item and amounts to a lot. I have it on the best of authority—and it is on account of the information I have received that I want to sound this note of warning to the manufacturers—that on the heavier classes of farming implements, such as binders, reapers, &c., if a man should buy the implement piece by piece and assemble it, the cost would be enormous. A binder may be purchased complete for $140; but I am informed that by buying it in parts and then assembling it, the cost would be nearly $1,000. I know for a fact, I have it from local managers and agents of the Ford Motor Car Company, that a Ford car can be bought piece by piece and can be put together for about $100 in excess of the price of the finished article assembled at the factory. A car is a luxury, but a binder is an absolute necessity; and if the Ford people can produce that luxury and supply the parts of it at the increase I have named, there is no reason under the sun why the manufacturers of implements cannot do the same. According to the information I have received, this is nothing less than legalized robbery. A farmer may break a piece of machinery in the middle of harvest. It does not matter what that piece costs, he has to have it and will pay the price without squealing. But the fact that he is willing to pay the price is no justification for the charges made by the manufacturers. I draw these facts to the attention of the Government, because I think they are worthy of the attention of this or any other Administration.

I wish to reiterate here what I have said upon the hustings time and time again, although it has no reference to the Budget, that I consider Senate reform one of the most important matters before the people of Canada to-day. I wish it to be distinctly understood that I am speaking of the Senate as a body and not in any individual sense. I have no personal animus against any hon. member of that body. I have the greatest respect for every one of them whom I know. I know there are many able members of that body, but it is the system to which I object. I say the existence of that body as it is now constituted is unjustifiable in Canada. I say that it is absolutely

out of date, and that its very existence is an insult to the intelligence of a free people.

Mr. SPEAKER: Order. I think the hon. member is going too far. The rule is distinctly laid down that it is not permissible to speak disrespectfully of the other Chamber.

Mr. ARMSTRONG: I gracefully withdraw the remark. I regret that the rules of debate do not permit me to convey my idea in the only language I thought applicable to the case. I cannot understand by what process of reasoning any man will argue or can argue that a body of men who are appointed, not chosen, who are responsible to no one but to God and their own consciences, should have the right to veto legislation passed by the chosen representatives of a free people, who are responsible to the people. I regret that the restrictions of debate do not permit me to deal with this matter quite as lucidly as I would like. I want to make myself clear in this. The Senate of Canada, as is well known, is looked upon with levity throughout the length and breadth of the land. Wherever the name is spoken, it is apt to provoke a smile, and I am satisfied that the people of Canada, from ocean to ocean, year after year, are becoming more seized of the fact that some change must be made in the constitution of that body.

Sir WILFRID LAURIER: Hear, hear.

Mr. W. F. MACLEAN: Hear, hear.

Mr. ARMSTRONG: I am very glad indeed to hear the right hon. leader of the Opposition say, Hear, hear. I believe that he is not entirely insincere. I would ask him to carry his mind back in the political history of this country to 1893, to the platform that was enunciated by his party at that time, and he will find as one of the cardinal planks in that platform, on which he went to the country, that he pledged himself to reform the Senate. For fifteen long years he held the reins of power, but no change was made in the constitution of that body except as to its political complexion.

I have stated that I am opposed to free wheat. I am opposed to the principle of free wheat, because, in my opinion, it is just the thin edge of the wedge, and ultimately will lead to free trade. I am opposed to free wheat because I believe it will not be of any lasting benefit to the farmers of the West, while on the other hand it will be a lasting detriment and do lasting harm to the mixed farmers of the rest of Canada. I am opposed to free agricultural implements because it means, in the first place, free trade, and in the second place, more destitute homes, more men out of employment, a bigger army of unemployed, and more hungry children walking the streets of the great cities of Canada. That in my view would be the result if any change such as is contemplated or advocated by hon. gentlemen opposite should be made at the present time.

The member for Moosejaw (Mr. Knowles) dilated upon the hardships that had been endured by the early settlers in western Canada. I appreciate the hardships endured by the early settlers of Western Canada. I do not wish to depreciate or detract from any credit due to them, but I do want to point out that there is another section of this country, a province known as Ontario, whose history will give many instances of just as much self-denial and a great deal more self-denial and privation than the history of the West can ever show. When this province of Ontario was first settled, the settlers did not find hundreds and thousands of acres of arable land waiting but the touch of the ploughshare, the drill, and the harrow to yield thousands and hundreds of thousands of bushels of wheat to the granaries of the world. They found a wooded wilderness and in the heart of that they had to carve out homes for themselves, for their wives and for their children. I have the honour of living on a farm that came into the family in 1837—200 acres of virgin forest. Fifty years of unremitting toil was required before that farm was brought into its present state, and it is only a sample of hundreds and thousands throughout Ontario that to-day bear silent testimony to the hardships and privations endured by the generations that have gone before. In dealing with questions such as free wheat and free agricultural implements, in dealing with any question of great and far-reaching importance, it is not sufficient, to my mind, to argue that just because the western part of Canada or any portion of Canada want a particular law it should be enacted. It is the duty of this House and of every member of this House to realize that in dealing with these questions he must have regard to the interests of the whole of Canada. Canada cannot live by any one industry alone. The farmer must co-operate with the manufacturer; the manufacturer is just as important as any other class. The labourer is just as

important as the manufacturer. The artisan is as important as the labourer, and so on all along the line. They must stand together if they are going to do anything towards the real development of the country, and I say that the members from the West are not fulfilling their duty as representatives of the people of Canada, in drawing, or trying to draw as they have done, a line of cleavage as between eastern and western Canada.

When I commenced speaking I stated that I had no intention of taking up very much of the time of the House and I intend to keep my word. I have endeavoured to make myself clear upon the points that are of most importance in this Budget. I am opposed to free wheat and I have endeavoured to give my reasons why; I am opposed to free agricultural implements and I have endeavoured to give my reasons why. Let me extend to the hon Minister of Finance my hearty congratulations on his having, in my humble judgment, dealt with a very serious question at a very serious time in a very able manner, having due regard to all classes and interests from one end of this Dominion to the other. I am sure that in saying that I voice the sentiments of the majority of the people from ocean to ocean.

Mr. A. B. McCOIG (West Kent): Mr. Speaker, in the first place I wish to congratulate the hon. member for North York (Mr. J. A. M. Armstrong) on the force which he has put into the remarks he has offered this afternoon. After congratulating him on the energy he has displayed, I regret that I cannot extend my congratulations further. I also wish to add my thanks to the Minister of Finance for allowing not only ditching machines but also their repair parts to come into Canada free. That is appreciated by the farmers in our sections of the country and I feel satisfied that it will assist them in working out what they have long wished for, that is, a better system of drainage for the farms in Kent and other counties in southwestern Ontario. In passing, I might also say that I appreciate the assistance that has been given the farmers in our section of the country by the Postmaster General in extending to them the free rural mail system adopted by the previous Government. I trust the present Postmaster General will not forget his solemn promise to me personally that he will continue to extend the routes in sections of West Kent in which there is now no rural mail service. The farmers are very much indebted both to the former Postmaster General (Mr. Lemieux) and to the present Postmaster General (Mr. Pelletier) for the way in which that system has been and is being carried out. The system of free city delivery is also working well in the city of Chatham with possibly one or two exceptions in the business portion of the city to which I am pleased to call the attention of the Postmaster General in the hope that the delivery will be improved in the near future. I do not think it is necessary to reply further to any of the remarks of the hon. member for North York except to say that there may be more in his remarks with regard to repair parts of farm machinery than some men not familiar with farm machinery may be aware of.

Speaking of free agricultural implements, let me go back to the time of the first amalgamation of the Massey-Harris Company, concerning whose president the hon. member for North York says he is not particular whether he joins the Conservative party or not. In 1891 an amalgamation took place of the Massey Company and the Harris Company, then enjoying a protection of 35 per cent—for the express purpose of controlling the entire machine trade of the Dominion of Canada. Some time after the amalgamation, the Patterson Company of Woodstock and the Wisner Company of Brantford also amalgamated. The Massey-Harris Company feared the opposition of this new amalgamation, which received a large portion of the trade of Canada in the short time of its existence. The Massey-Harris Company tried to make some arrangement with them, either to amalgamate or buy them out. They were successful in making one big company of the two concerns, and for a time after they bought the Patterson Company out in 1891 the Massey-Harris Company controlled the machine trade of the Dominion. During that time they were successful in receiving for their agricultural implements just what prices they saw fit to ask from the farmers. I can prove that, and if the hon. member for Brantford (Mr. Cockshutt) were in his seat I would ask him if that is not correct. They received at that time from $125 to $145 for their binders, which at that date were not to be compared with the machines supplied at the present time. Up till 1894 when the Government reduced the tariff from 35 per cent to 20 per cent they practically had a monopoly of the machine business of this country. When the tariff was reduced in that year they

had to compete with the Deering Harvester Company and the McCormick Company. What was the effect of that competition? What was the benefit to the farmers of the Dominion? Sir, the minute that the Deering and McCormick companies began to bring their implements in they made a reduction on repair parts of 25 per cent, and the Massey Harris Company were compelled to do exactly what the hon. member for North York has been complaining of, they were compelled to reduce their price on repair parts 25 per cent. Furthermore, they were compelled to provide an entirely different machine. The binder that they had been manufacturing for years was a heavy, cumbersome machine, and one that necessitated the use of an extra horse to draw it. It was far from being equal to the machines that were brought in from the United States. When the competition started they at once found it necessary to improve their machine. They got out a machine in a few years which was a great improvement on that which they had formerly produced, a machine with roller and ball bearings, a transport truck and a sheaf carrier, and they sold it at exactly the same price to the farmers of this country. The point I wish to make is that when competition was brought in they were compelled to give the people of the country a far superior article at a reduced price as compared with what they were giving them prior to 1894. I believe that what the hon. member for North York has said is true, that the Massey Harris Company controlled the machine business of this country, and that was possibly one of the reasons why we find that not later than this last general election the hon. Minister of Labour (Mr. Crothers), who, we are all sorry to know, has been indisposed, and whose early recovery and return to the House will, I am sure, be a source of gratification to us all, made the following statement in the city of Chatham, as reported in the leading Conservative paper in the southwestern part of Ontario:

> What the farmers of the Dominion want is not free wheat coming into the country, but free farm machinery.

That was the statement of the present Minister of Labour, one of the leading members of the Opposition at that time, and one of the hardest things I had to do in my own constituency was to convince the farmers that the Minister of Labour was only joking, and that if a Conservative Government came into power it would do nothing to carry out the principles which he advocated upon that occasion.

Let me go a little farther. I do not doubt, Mr. Speaker, that you remember that the former Conservative member for Macleod, Mr. John Herron, speaking on the 30th of March, 1910, as reported in 'Hansard,' used the following language:

> I wish to say a few words on the resolution now before the House. I think it would be a much greater benefit to this country to put binders on the free list than feathers or perfumery, and things like that of which we have heard tonight. I think this would have been a grand opportunity for the Government to fulfil some of the pledges they made years ago to the farmers of the Northwest. We know that prior to 1896 the Prime Minister and his followers made pledges that if they were in power they would put farm implements on the free list. I do not know whether the Prime Minister himself made that statement emphatically, but many of his followers who afterwards became ministers did make it. I think this would have been a fitting opportunity to insist upon reciprocity in agricultural implements between the two countries as well as in wheat and other grains.

Mr. SAM. SHARPE: What is the date?

Mr. McCOIG: March 30, 1910, page 6,000. We hear hon. gentlemen opposite talking about the difference of opinion among members on this side of the House and explaining that on the other side of the House they are a united party and all of one opinion. That statement will not be borne out if we read a little further in 'Hansard' and see what the hon. Minister of Customs (Mr. Reid) said, speaking on the same day, and upon the same important matter. As reported upon the next page of 'Hansard,' the Minister of Customs, who, I am sorry to say is not in his seat, said:

> What surprises me is that the Minister of Finance did not try to negotiate a reciprocity in so far as agricultural implements are concerned. Then there is wheat, the great output of the northwest. If we could get wheat into the United States it would be a great help to the farmers of the northwest.

Then he goes on further and states:

> But the Minister of Finance did not take the farmers into consideration at all, in so far as the northwest was concerned, and did not try to get any of these articles on the free list.

4 p.m. Is this not amusing to one who was sitting silent there on the other side and hearing these gentlemen, day after day, appealing to the Government of the day to do just exactly what we are proposing to do at the present time? Yet these hon. gentlemen, holding posi-

tions in the Government now, are not offering to do one of the things which they urged the late Government to do. We heard the hon. member for North York declaring that hon. gentlemen opposite were a great and united party.

In view of the situation which confronts us now what is the conclusion at which we must arrive? It is that they were taking an insincere position at that time and that they were merely saying these things for the purpose of stumping the country. It is reported that Sir Wilfrid or some of the members of his Government promised free wheat and free implements in days gone by. The hon. Minister of Finance (Mr. White) came into my riding, to the old Liberal stronghold of Tilbury, which returned a Liberal majority in the past and will, I have no doubt, do so again. While addressing a meeting in that town, and being asked to give an account of the condition of the country by Mr. John Richardson, an old stalwart, we find the hon. gentleman, as reported in the leading Conservative newspaper, the Chatham Planet, of September 16, 1911, making use of the following language:

> First of all, I would thank Providence.
> Where does the Government come in? followed up Mr. Richardson.
> I am coming to that. I will be perfectly fair to you as a Liberal. I would first thank Providence, then Canadian brains, Canadian pluck, British money, and, lastly, the successful administration of a government which has crowned a constructive policy with this reciprocity folly. If it were not for this reciprocity agreement I would be following Laurier to-day.

Mr. Speaker, we all remember how, on many occasions, you stood up and advocated the opening up of other markets for the natural products of the country, and when you now see your old colleagues going back upon the pledges which they made in days gone by, is it not a matter of regret that you are now, by reason of your position, deprived of the privilege of coming to the assistance of those now fighting in the interests of the farmers?

With reference to the implement proposition, we have had our friends going all over the country and saying that they would not hesitate for a moment to join with us on this great and important question and endeavour to do something more than merely reduce the tariff on binders and mowers. We know that the Minister of Finance smiled when he said to the House the other day that he was going to make a reduction of five per cent and then followed it up by saying that this reduction was to be on binders and mowers. He knows that a small reduction upon binders and mowers does not amount to anything as far as assisting the farmers is concerned, because he is aware of the fact that in the United States there are only three leading manufacturers, the McCormick, Deering, and Massey-Harris concerns, and that a reduction on these implements would only mean that they would send binders and mowers into this country to compete with the machines that they themselves are manufacturing here. They are the only people who are manufacturing binders and mowers in the United States to any great extent. If some hon. gentleman opposite may wish to include also the Plano, Champion, and Milwaukee, I would say that they were all in the big merger which was in existence up to a few months ago in the United States and will, I suppose, be working the same old game that they worked previously. This five per cent reduction on binders and mowers only means that they will be taking the money out of one pocket and putting it into another. If the American manufacturers came over here, because they are all one and the same concern on both sides of the line, they would simply be fighting themselves.

But what does the minister do? He leaves the tariff on the most important implements just as it was before, and tries to make out that he is doing something for the farmers. In my own constituency and in other parts of the country it is a well known fact that one binder and one mower in many cases will be sufficient for the purposes of two or three farmers. I see the hon. member for North Essex (Mr. Wilcox) smiling. He will agree with me that in many sections of the country two or three farmers will use one binder and one mower. In many sections of Ontario binders will last from ten to twelve years, but never more than fifteen or twenty with ordinary use and good care.

Mr. WILCOX: My hon. friend said that the Minister of Finance must have smiled when he announced his reduction of 5 per cent. Did my hon. friend's party laugh out loud when they reduced the duty by 2½ per cent in 1897 ?

Mr. McCOIG: I do not catch the point. The hon. gentleman does not understand what I am trying to get at, and I am sure I do not understand what he is trying to get at. If he is desirous of encouraging the agricultural implement industry, as he

claims he is, he cannot have any objection to reciprocity.

Mr. WILCOX: My hon. friend misunderstood me. He said that the Minister of Finance must have smiled when he was about to announce the reduction of duty of 5 per cent on binders. I ask my hon. friend what effect it had upon his party and his Government under the Fielding tariff when they only reduced the duty by 2½ per cent.

Mr. McCOIG: My hon. friend knows that we did not stop at binders; we made a reduction of 5 per cent on all implements with respect to which the farmers desired the duty removed.

Mr. WILCOX: And you raised the valuation.

Mr. McCOIG: The hon. gentleman was not interrupted last night, and I trust he will not continue to interrupt me. I am sure we enjoyed his address very much, and we listened to it without interrupting him.

The point is this, that as to the important machinery which the farmers at present require, such as manure spreaders, disc drills, hoe drills, dump rakes, side delivery rakes, hay loaders, hay tedders, disc harrows, drag harrows, riding ploughs, gang ploughs and walking ploughs, my hon. friend the member for Brantford (Mr. Cockshutt) saw to it that there was no interference in any shape or form. I might also mention land rollers and other tools such as corn planters, corn cultivators, corn shredders and huskers, and sugar beet tools, which are most important to the counties of Essex and Kent, where we grow so much corn and on which the farmers get no concession in the way of a reduction of duty. My hon. friend (Mr. Wilcox) sat in this House for six years and never agitated for a duty on corn. He is supposed to be very close to the Government, but never before last night did he use the old argument for a duty on corn which Mr. L. Wigle in 1900 used up and down the concessions of South Essex when fighting the former member of this House, Mr. M. K. Cowan. This old argument in regard to free corn which the hon. member for North Essex (Mr. Wilcox) put forth in this House last night, was thrashed out election after election, but never once did Mr. L. Wigle defeat Mr. M. K. Cowan, who fought for free corn. I want to inform the hon. member for North Essex that the county of Kent can grow corn just as well as any other county in the province of Ontario. I am not prepared, as the representative of that county, to ask the Government of the day to put a tariff on corn, and I can tell my hon. friend that not later than last Tuesday I saw Mr. John Sewell of the township of Raleigh, which is in the corn belt of Canada, actually buying corn to feed his stock. There are other counties which are not so fortunate as ours, in being able to grow corn, and the people of Kent are not so selfish as to desire to tax the farmers in these other counties on the corn they use to feed their live stock. I challenge my hon. friend (Mr. Wilcox) to tell me on what occasion, when there was a duty on corn, the farmers of Kent and Essex got as high a price for corn as we have been getting during the last few years. I wait for a reply.

Mr. WILCOX: How can my hon. friend justify arguing for a higher duty than 28 per cent on tobacco, and at the same time advocate free corn? If protection is good for one, why is it not good for the other?

Mr. McCOIG: I knew my hon. friend could not give me a straight answer. I expected the answer he gave. As far as corn is concerned, we want to let the farmers of the province of Ontario in the different counties where they cannot raise it have the advantage of free corn which is a necessity for them as being a raw material of the livestock industry. We want to give free corn to the farmers in your riding of Grey, Mr. Speaker.

On the other hand, tobacco is a luxury, not a necessity. I drew the attention of the hon. Minister of Agriculture to the unfortunate position in which the tobacco growers of Kent were; in that they were held up by buyers, and that there were only two firms that could buy tobacco whereas thousands of men want corn to feed their stock. If the hon. members wishes to be fair, he will join with me in doing everything possible to assist the tobacco growers who are to-day in an unfortunate predicament. If they were not in that position, I would not have appealed to the Minister of Agriculture and the Minister of Labour, to take action under the Combines Act to compel the tobacco buyers to do what was fair and just to the growers who are trying to make a living on their farms. Tobacco is a comparative new industry, encouraged and fostered in its infancy by the late Government of this country who spent thousands of dollars in working out a scheme that was in the best interest of the tobacco growing industries. The Liberal Government, supplied free seed; and

gave lectures and instructed the farmers how to grow the crop. The farmers were encouraged to go into the business, and they did so; they bought tools to work the crop, and they built tobacco barns, which cost a thousand or fifteen hundred dollars each, and which are practically of no use for any purpose except for hanging and curing tobacco. Then the tobacco buyers stated that they were willing to pay a handsome price for the crop, but to-day these buyers, afraid that the Government will take some action, are going down to the county of Welland and telling the farmers there that they can grow tobacco equally as good or better than they can in Essex or Kent, the object being to depress the price of the leaf. For what little tobacco is grown there they pay four cents a pound more than they pay in the county of Kent. And I challenge the hon. member for North Essex, I challenge the combine, to place samples of those tobaccos before the Minister of Agriculture, and I am willing to stand corrected if he does not say that the Kent tobacco is as good as that produced in Welland. The combine are paying four cents a pound more in order to encourage the farmers of Welland to do the same thing as the farmers of Kent have done—to go into this business; and after they have got them into it, they will squeeze them, paying them just such prices as they choose. This tobacco can only be disposed of in the end to the tobacco users, and only through this combine can the farmers reach the consumers. I appealed to the Minister of Labour (Mr. Crothers) to take action under the Combines Act. I appealed to the Minister of Inland Revenue (Mr. Nantel) on this subject. He gave us a ray of hope; he said he would take up the matter with his colleagues. I ask him now has he taken up the matter with his colleagues, or is he allowing the farmers to be held up as before? The hon. minister has nothing to say. I venture to believe that he has not taken the matter up with his colleagues; he has not broken the news to them. He allows the farmers to remain in the hands of the combine, and leaves the combine free to take the farmers' crop at whatever price they choose to give.

So much for tobacco. Now I come back to the question of free corn. My hon. friend is anxious to have a duty on corn. I am not in favour of a duty on corn. But what I am prepared to agitate for—and I hope the Minister of Finance will consider it—is the removal of the duty on the implements which the corn producers must use. Hundreds and hundreds of farmers are growing corn who have to import corn binders, corn huskers, corn shredders and other implements. They must have these implements because of the shortage of labour, yet these machines are practically not manufactured in this country. The Massey-Harris people intended to manufacture, and for a time, I believe, actually did manufacture, corn-binders. But their machines did not work successfully in the corn-belt of Essex and Kent. For the last two years they have been importing the Johnston corn binder, the Deering and McCormick binders are manufactured in Chicago. If it should turn out as the Minister of Finance stated, that corn harvesters would come in on the same basis as grain harvesters, the duty on these implements hereafter will be 12½ per cent. As the price of corn huskers and shredders runs from $250 to $300 and even more, and as the farmer must have them because hand labour cannot be found to do the work as cheaply as it is done by the machine, it is easily seen that even this duty represents a heavy tax upon the producers. If the hon. member for North Essex is so anxious to benefit the corn producers, I would suggest that he join with me in urging upon the Minister of Finance that these machines should be allowed to come in free. That would be a relief to the farmers who are supplying Ontario with corn in competition with the United States. If the hon. gentleman will assist, I will do everything I can to secure for the farmers the benefit of the removal of this duty.

Now, we have the hon. member for North York (Mr. J. A. M. Armstrong), who, I believe, represents a constituency of farmers, saying that he is absolutely opposed to free wheat. As representing a farming constituency in the province of Ontario, I wish to show you and this House why I am in favour of free wheat. Unless we remove this duty of 10 cents a bushel on wheat and 45 cents a barrel on flour, see what we shall be up against. The estimated wheat production of Canada in 1913 is 231,717,000 bushels, while the estimated consumption of Canada is only about 50,000,000 bushels, leaving a balance of 181,717,000 bushels to find a market. What are the farmers of the West going to do with it? They must sell it if they are going to pay the manufacturers of Ontario for the machines they have bought to seed and harvest that wheat; otherwise, the condition will be

worse than that at present, when, we are told, they are able to collect only 25 per cent of farm machinery notes in the western country. And if we do not leave the western farmers free to dispose of their wheat, oats, barley and flax at prices that will enable him to pay for his farm machinery and live, they will be compelled to go into mixed farming. We find the Minister of Agriculture in the province of Manitoba to-day issuing a pamphlet to show how mixed farming can be carried on in that province. And if the Government is going to tie up the western farmers in such shape that they cannot get rid of their wheat, they must turn to the production of something else. So they will go into the raising of cattle and hogs. And I would ask the hon. member for North Essex what is the man who is raising hogs in the East going to say when the western provinces are sending their cheaply-grown hogs down to our markets by the trainloads? This is too serious a matter to monkey with in politics; we have to consider it from a broad national standpoint. If we do not so consider it, the farmers of Ontario will find themselves in the position of having to compete with those carrying on mixed farming in the western provinces, where they can produce as cheaply again as we can in Ontario. It was only the other day that the morning papers announced that seeding is on in Alberta and that large tracts of land are being set aside to plant rape. Rape, as you know, Mr. Speaker, being a practical framer, is one of the best crops you can sow in the spring to feed hogs. Evidently they are preparing to go into the hog industry. If it were not that the United States Government has removed the tariff on hogs and cattle, we should have the hogs from the West competing with our hogs in this market. If my hon. friend from North Essex, who is recognized as a practical and successful farmer, will look at it in a fair and non-partisan light, he will see that it is in the interest not only of Ontario, but of all Canada to give the people of the West a market for their grain and allow us to continue the production of articles that we have produced in the past with such splendid success.

We hear hon. members opposite crying against going into other markets and saying that we want to retain the home market for ourselves. Let me just give you a few illustrative figures on that point:

During the month of November not a single bullock, calf, sheep or lamb was shipped from Canada to Great Britain. To the United States the shipments were 70,746 cattle valued at $2,864,809; 5,297 calves under one year old valued at $64,348; 7,936 lambs valued at $37,592, and 490 sheep valued at $3,201.

If these are the figures for the month of November alone—and they can be proved by the information in possession of the Minister of the Department of Trade and Commerce, who knows more about the figures than I do—is it not important that we should try to do something along the lines suggested by the Opposition? Let me go a little bit further. I should like to know what the hon. member for North Essex would have to say if reciprocity had passed and he were still in Opposition; if, going up and down his concessions, he found the farmers who went into the horse industry a few years ago having to sell their horses at $25 on the hundred less than the price they received for them prior to 1911? Would he not be one of those who would hold up both hands in holy horror and say that reciprocity had ruined the horse industry of this country? No later than last Saturday I bought a team of horses for $400 which would have cost $500 prior to 1911. It says here that the reduction of duty on horses to 10 per cent resulted in a shipment of 400 horses to the United States in November worth $101,496. In the face of the present 10 per cent duty against our horses, we sent 400 of them to the United States in November. What is our esteemed friend the Minister of Militia going to do at this time? No later than yesterday the right hon. leader of the Opposition made an inquiry of the Minister of Militia with regard to certain information which had been sent throughout the country in connection with an arrangement being made by the Minister of Militia with the National Livestock Exchange. The despatch is, in part, as follows:

An important arrangement has been made by the Minister of Militia with the National Live Stock Exchange, Limited, whereby the latter will lease for twenty-one years 65,120 acres of crown lands in Alberta, south of the Red Deer river, and will breed thereon cavalry remounts for the Canadian militia and the British army. The annual rental will be two cents per acre, and the exchange undertakes to raise not less than 1,500 horses per year.

Are you not proud, Mr. Speaker, in the thought that the Minister of Militia will take 65,000 acres of the land belonging to the farmers of Canada, who contribute their share to the revenues of this country, and

rent it to a company at two cents an acre to go into the horse raising business in opposition to the farmers not only of Ontario but of the whole of Canada? What will the hon. member for North Essex say about this? Will he appeal to the ministers from the province of Ontario, the people of which have been doing their duty and maintaining the dignity and prosperity of Canada for a great number of years? The Minister of Finance a few days ago said: we are going to educate the farmers with the money that is being given by the Minister of Agriculture. Is this the way we are going to educate them? Are we going to fight them on the very thing that they are trying to work an existence out of? Or are we going to say that the Minister of Militia is making expenditures which are not condoned by the Minister of Finance and the Minister of Trade and Commerce? I believe that the time will come when the money of the people will not be spent so extravagantly as it has been during the last couple of years Let me read to the House what a Conservative paper in the city of Toronto says. I think that members on the opposite side of the House will agree with me that the Toronto Saturday Night is recognized as a Conservative paper—at least, we may say that it is independent. This writer in Saturday Night, who is recognized as one of the best editorial writers we have in Canada to-day, says:

> Peace-loving Canadians will be tickled almost to death when they view the estimates now being brought down in respect to the construction of drill halls. Here are a few specimens in Ontario: Barrie drill hall, $25,000; Berlin, $50,000; Brantford, $75,000; Fort William, $30,000; Galt, $35,000. And so on by the tens of thousands is the pap distributed throughout the country. A more useless, criminal waste of public moneys has never taken place in Canada than is now being experienced in this fever for drill halls. If some of these funds were put into an insane asylum for the incarceration of those who voted these estimates, something of real service to the country would be accomplished.

I am glad to see, by his smiles, that the hon. Minister of Trade and Commerce (Mr. Foster) enjoys the truth. I hope that he and the Minister of Finance will use their influence, as coming from the province of Ontario, to see that the money of the people of this province in particular, who are contributing a large portion of the revenue of this Dominion, is not squandered in this way.

So far as the people of my section of the country with whom I came in contact during the Easter recess are concerned, among both Liberal and Conservatives I have not found one man who has not asked me to stand up, when the proposal to extend further aid to the Canadian Northern railway comes before Parliament, and vote against it in the interests of the people of Canada. I understand that there are a few independent members on the other side of the House; if the hon. member for North Essex happens to be one of them, I join hands with him and assure him that we will stand together on this important question and endeavour to see that the Canadian Northern railway gets no more money out of the treasury of this great Dominion. The reports show that this railway has received from the different provinces and from the Dominion in guaranteed bonds, cash and lands, over $200,000,000. If this be true—and it will certainly be investigated by the hon. Minister of Finance before he thinks of bringing down any resolution in the matter—and it is found absolutely necessary that we should do something to assist this road, speaking for myself I think the Government would be justified in going into the matter thoroughly with a view to seeing whether or not they could take the road over from McKenzie and Mann and operate it for the benefit of the people of this country, the revenue thereby obtained going into the treasury of Canada—particularly in view of the fact that it has cost the people so much money up to the present and, under these conditions, the people would own what they are now paying for instead of the Canadian Northern Railway Company.

I assure you, Mr. Speaker, that I appreciate the kindness of hon. gentlemen in the courtesy they have extended to me in listening to my remarks, and I again assure the hon. member for North Essex that if he is with me on the proposal to which I have referred, we will vote together against any proposed aid to the Canadian Northern railway when it comes before Parliament.

Mr. J. W. EDWARDS (Frontenac): Mr. Speaker, I desire first of all to add my congratulations to those which have already been tendered to the hon. Finance Minister, not only for the logical and convincing manner in which he delivered his Budget Speech, but as well for the candour and sincerity which he displayed in his statements. The Minister of Finance, according to the representations made by the hon. gentle-

man who has just taken his seat (Mr. McCoig) has, on more than one occasion, given evidence of his candour and fair mindedness. The hon. member was good enough to say of the Minister of Finance that, in making an address in some part of Ontario, he gave credit to Providence, first of all, for the prosperity of the country. I am not surprised that this should have attracted the attention of the member for West Kent, because hon. gentlemen on the other side of the House have not been accustomed to hear their Cabinet ministers giving credit to Providence for any prosperity that may have existed in this country while they held the reins of power. It was their custom to attribute the prosperity to Sir Wilfrid Laurier, and to contend that Providence had very little to do with it. If, however, there was a crop failure, or anything of that kind then Providence took the whole blame, and the Government was exonerated.

I do not intend to occupy much time this afternoon in referring to the finances of the country. I am sure every hon. gentleman in this House, whether he sits on this or on the other side, is pleased with the state in which the finances of the country are, and have been, during the regime of the present Government. In 1896 the net debt of the Dominion of Canada amounted to $258,497,432. In 1911, when the Laurier Administration went out of office, that debt had increased to $340,042,052, or an increase in the net debt of Canada, during the years of the Liberal regime, of $81,544,620. At the end of the fiscal year after this Government took office, the debt was decreased by $122,591. At the end of the next year, there was a further decrease of $25,617,835, a decrease without any parallel in the political history of Canada. At the end of the year just closed, the net debt was increased by $19,000,000, but this increase, when compared with the increase of $46,000,000, which took place in the years 1907 and 1908, under the Liberal Administration, the Conservative party has no reason to be ashamed of. The net result, so far as the debt of Canada is concerned, is that our debt is over $6,000,000 less to-day than when the Borden Government assumed office.

It is also a matter for congratulation that Canada's trade did not stop when the Government changed. We had been led to believe, and the people of this country had been led to believe for many years, that the only Heaven-born statesmen that this country had ever produced were in the Liberal party, and that if there should be a change of Government everything would stagnate, trade would stop, and business would go to the dogs. Well, trade has not stopped. Our trade has continued to increase steadily and enormously since this Government took office, until now it has passed the billion dollar mark. The increase in our aggregate trade last year alone, over the trade of four years ago, exceeds the average total trade of Canada during the last ten years of Liberal Administration. Inasmuch as the hon. member for Rouville (Mr. Lemieux) drew particular attention to the aggregate trade of Canada, I draw his particular attention to that statement. Our greatest trade was with the United States, amounting to over $608,000,000. Our trade with the United Kingdom came next, amounting to over $316,000,000. The next countries in order are France, Germany, and the West Indies, with each about $17,000,000 in aggregate trade. Our aggregate trade is made up of imports of $692,000,000 and exports of $393,000,000, showing an adverse balance of trade of over $298,800,000. Our imports from the United States amount to over $441,000,000 and our exports to the United States to $167,000,000, or a balance of trade against Canada of over $274,000,000. Canada sells to the United Kingdom $177,000,000 worth and buys from the United Kingdom $138,000,000, a balance of trade in favour of Canada of $39,220,000. It may be of interest here to note that of the fourteen larger countries with which Canada does business, all buy less from Canada than they sell to Canada, with the exception of the United Kingdom, Newfoundland, and Belgium. I know tha there are persons who have given considerable thought to trade questions who do not attach any importance to an adverse balance of trade, but I must say that I would prefer to see the balance the other way. It may be noted also that $198,386,000 worth of our exports, that is over one-half, go to the British Empire, and that over ninety per cent. of our exports to the British Empire go to the United Kingdom. It is also worthy of note that over fifty-two per cent of our total exports from Canada are products of the farm.

I represent a farming constituency, so that I may be excused for paying special attention to the products of the farm. Our exports of animals and their products to the British Empire amount to $31,166,000, and to all other countries $14,607,000; or a total of $45,773,000. Our exports of agricultural products to the British Empire amount to $120,163,000, and to all other countries $38,792,000; or a total of $158,955,000. Our total exports of animals and

agricultural products to the British Empire amount to $151,330,000, and to all other countries $53,398,000; or a total of $204,748,000. Allow me to briefly summarize the destination of our exports. Of the products of the mine 22 per cent go to the British Empire and 63 per cent to all other countries; of fisheries 37 per cent to the British Empire and 63 per cent to all other countries; of the forest 25 per cent to the British Empire and 75 per cent to all other countries; of manufactures 29 per cent to the British Empire and 71 per cent to all other countries; of animals and their products 69 per cent to the British Empire and 31 per cent to all other countries; of agricultural products 76 per cent to the British Empire and 24 per cent to all other countries. These figures indicate very briefly the immense interest which the Canadian farmer has in the United Kingdom and the British Empire. They also indicate to my mind very clearly the paramount importance of maintaining Great Britain's supremacy on the sea, as the only safeguard of the integrity of the empire and of the safe conduct of our farm products to the various countries of the world. Canadian exports of grain and the products thereof, amounting to nearly $98,000,000 in 1913, and of cheese $20,697,000, are not offset to any appreciable extent by imports into this country of like commodities. But in regard to live animals, meats and vegetables, our imports for home consumption are about equal to our exports. As to butter and eggs we export none at all. In fact we import butter to-day to the extent of $2,783,000, and eggs to the value of over $2,000,000.

I contend that the best consumer the Canadian farmer has to-day is the citizen of Canada, and that any policy which has a tendency to build up industries here thereby providing a consuming population and home market for Canadian farm products, is the only proper and sane policy for this Dominion. Canada's second best customer is the United Kingdom. If increasing exports of our farm products to the United Kingdom is an indication of an increasing demand in that country for those commodities—and that may be fairly assumed—I maintain that the figures representing our exports to the United States and imports from the United States of products similar to what our farmers produce do not indicate that the United States is the natural market for the Canadian farmers, but just the reverse. During the fiscal year 1913, Canada imported 37,433,745 lbs. of meat for home consumption, valued at $5,000,000. With the exception of 1,617,000 lbs. from Great Britain, and 2,500,000 lbs. from Australia and New Zealand, all of that 37,000,000 lbs. of meat came from the United States, which hon. gentlemen opposite are continually declaring is the natural market for Canadian farm products. At the very time we were importing over $5,000,000 worth of meat, our exports of meat amounted to $6,250,000 worth. I maintain to-day what I have always maintained when in opposition, that a duty of 2c. a pound on meats is not now and has never been a fair, just and reasonable protection to the farmer who is producing meat in this country. There is a far greater difference than 2c. a pound in the advantages which the American farmer has over the Canadian farmer in the production of meat, and I contend that in fairness to our Canadian farmer that duty should be materially increased. Yet, if hon. gentlemen opposite had had their way in 1911, they would have removed or materially reduced that duty, and exposed the Canadian farmer, not only to the competition of the immense surplus of meat of the United States, but also to the immense surplus production of meat, amounting to over two billion pounds per year, which is indicated by the exports of various countries which would have had the right to send their meats to Canada. Five hundred million pounds of that represents the export from the United States; Australia and New Zealand alone export over 363,000,000 lbs. of meat a year; Denmark over 300,000,000 lbs., and the Argentine over 900,000,000 lbs. I contend that the proposed reciprocity agreement was the most unfair deal, so far as the Canadian farmer is concerned, ever suggested in this Parliament since Confederation. Will any man attempt to argue that it is a fair deal to the Canadian farmer, who has to provide against climatic conditions such as we have here, who has to spend thousands of dollars in erecting barns and stables, who for months of the year has no income at all, who has to keep his stock under expense till the summer opens up—will any man argue that it is a fair deal to make the Canadian farmer, under such conditions, compete on equal terms with the farmer, for instance, of the Argentine, who is not put to the expense of housing his stock—it runs out the year round—and where the rate of

wages paid by the farmers is about one-third or one-fourth what the Canadian farmers have to pay? There is only one fair way to look at this question of protection. The only way in which the Government of a country like Canada can deal fairly with the people of this country is to place a duty on certain products which come into competition with like products in this country, endeavouring by that duty to discount the disadvantages of the Canadian farmer in the matter of climatic conditions. If that is not done our tariff is unfair to the producers of farm products in this country.

In regard to butter, our exports have reached the vanishing point. Our imports last year amounted to about 8,000,000 lbs., 6,000,000 lbs. of which came from New Zealand, over 1,000,000 lbs. from the United States, and 767,000 lbs. came from Great Britain. We also received butter from Austria, Holland, Russia, Turkey and India. I mention these latter imports not because of the large amount coming to Canada, but to indicate that if we had no protection for the butter-makers of Canada these countries would avail themselves of our market whenever the price was such as to induce them to do so. When we remember that England alone imports every year upwards of 500,000,000 lbs. of butter, that Denmark exports every year upwards of 200,000,000 lbs. of butter, and that butter can be brought from Denmark or Liverpool and laid down in the city of Montreal for less than one cent a pound for carrying it, I am justified in asking that the farmers of Canada be protected in regard to butter.

In regard to eggs, the same thing holds good. We export no eggs whatever, but we imported last year of eggs 13,240,111 dozen, mostly from the United States; of vegetables, $3,242,214 worth from the United States; of lard, $1,520,450 worth from the United States; of apples, 320,325 barrels mostly from the United States; and of animals, living, $2,519,249 worth. While our exports of animals, living, amounted to $2,949,677 worth.

Hon. gentlemen opposite have been contending that the United States was our natural market. I want to devote a little attention to that argument. I have here an official bulletin issued by the United States Department of Agriculture, and that bulletin says that the domestic farm products of the United States exported in 1911 were equal to 51.2 per cent of the total exports of domestic merchandise of that country, as compared with 50.9 per cent for 1910.

Hon. gentlemen opposite are contending that the United States is our natural market for farm products, and yet we have an official document from the United States Government which declares that over 51 per cent of the domestic merchandise exported from that country in 1911 is merchandise of the farm. The exports of domestic farm produce from the United States in 1910 amounted to $871,158,425, and the imports to $687,509,115. There is a balance on farm produce in favour of the export trade of the United States of $198,118,937. In 1911 the exports of domestic farm produce from the United States amounted to over $1,030,794,402, while the imports of farm produce decreased from $687,509,115 to $680,204,932, showing a balance in favour of United States exports of farm produce of $365,254,018. While Canada's exports of farm products are a little over 52 per cent of her total exports; while we are sending to foreign markets about $200,000,000 worth of farm produce, the United States is sending over $1,000,000,000 worth. The United States has a surplus of farm produce of over $365,000,000 a year, or $160,000,000 more than the total export of farm produce by Canada, and a clear surplus of over double the net surplus Canada has in farm produce. While Canada sends to Great Britain $180,000,000 worth of farm produce, the United States sends to Great Britain $413,000,000 worth. While Canada's export trade with Germany amounts to a little over $3,000,000, of which only a part is farm produce, the United States export of farm produce to Germany in 1911 amounted to $207,000,000, which was $29,000,000 more than that of the preceding year.

5 p.m.

I am giving these figures for the purpose of trying to demonstrate that the United States, in place of being a natural market for Canadian farm products, is Canada's chief competitor in the markets of the world for the farm produce which we have to sell. I want to go a little farther into detail in regard to some of these articles, and in this connection I would submit the following table of figures:

Exports of Domestic Merchandise of United States.

	1911.	1912.	1913.
Butter	6,374,000 lbs.	5,105,000 lbs.	3,114,000 lbs.
Cheese	11,745,880 "	2,726,065 "	2,475,743 "
Eggs	13,276,000 doz.	18,962,000 doz	17,668,000 doz.
Apples	1,436,335 brls	1,813,456 brls.	1,920,221 brls.
Beef, fresh, canned and pickled	82,300,000 lbs.	47,100,000 lbs.	36,000,000 lbs.
Hog products	1,121,000,000 "	1,057,000,000 "	1,083,000,000 "
In which are included:			
Bacon	193,968,000 lbs.	188,048,000 lbs.	210,098,000 lbs.
Hams and shoulders	183,728,000 "	168,687,000 "	167,160,000 "
Pork, fresh and pickled	42,434,000 "	42,497,000 "	45,687,000 "
Lard	529,689,000 "	470,752,000 "	509,786,000 "
Principle meat and dairy products	$136,630,376	$123,244,132	$138,924,092
Principle breadstuffs	$122,837,787	$149,814,877	$191,477,180
Barley	3,555,000 bus.	8,194,000 bus.	12,782,000 bus.
Oats	2,125,000 "	30,374,000 "	5,274,000 "
Oatmeal	$933,843	$525,575	$1,337,599
Corn	59,807,877 bus.	30,185,713 bus.	44,709,954 bus.
Cornmeal	$1,506,025	$1,374,234	$1,240,904
Wheat	31,662,550 bus.	60,426,494 bus.	99,360,278 bus.
Wheat flour	$52,653,960	$49,186,765	$56,568,699

United States Exports of Wheat and Wheat Flour sent to Canada.

Wheat	771,342 bus.	700,368 bus	2,577,337 bus.
Wheat flour	81,295 brls	85,802 brls	116,179 brls

United States exports of domestic food animals dropped from $14,289,508 in 1911 to $895,603 in 1913, and exports of bran and middlings from $3,071,000 in 1911 to $123,316 in 1913.

I want now to direct attention to the United States exports of wheat. I do so for the reason that the hon. member for Assiniboia (Mr. Turriff) a few days ago took exception to the criticism made by the hon. member for Muskoka (Mr. Wright) in regard to the quantity of domestic wheat exported by the United States.

The hon. member for Assiniboia (Mr. Turriff), being a western member, should have a special knowledge in regard to all matters concerning the exportation of wheat; but the hon. member for Muskoka (Mr. Wright) had to correct him, and the hon. member for Muskoka was right, and the hon. member for Assiniboia was wrong. I have in my hand a document issued by the Department of Commerce of the United States dated December, 1913, which gives the exports of domestic merchandise. Under those exports I find that, in 1911, the United States exported of their own wheat 31,662,550 bushels; in 1912, 60,426,494 bushels; in 1913, 99,360,278 bushels. They exported of wheat flour in those years $52,000,000 worth in 1911, $49,000,000 worth in 1912, and $56,568,000 worth in 1913. Those figures show that the United States is not starving for our wheat and farm products at the present time. On the contrary, their official publications indicate that their exportations, and therefore their surplus of these commodities, are on the increase rather than on the decrease, for the last three or four years. I am free to admit that there has been a decline in the United States of exports of beef and of beef cattle, and of several other articles. I am also free to admit that the Wilson-Underwood tariff, which was designed to lower the cost of food in the United States—although I think I can show it has not had that effect—would have a tendency to increase the importations into that country of the articles which have been made free. In regard to the importation of cattle into the United States, several hon. gentlemen opposite have called attention to the increase. It is a fact that, after the Wilson-Underwood tariff came into effect in October last, the

exports of cattle from Canada to the United States for the months of October, November and December of 1913, very much exceeded the exports for the same months in 1912. It is also true that in the month of December, 1913, the exports of cattle from Canada to the United States were only about one-third of the exports for the preceding month, and in the month of January of this year the exports of cattle to the United States were practically the same as in the month of January, 1913. What are the reasons for this? Hon. gentlemen opposite contend that this is all due to the removal of the duty. I do not agree with that statement by any means, but I am willing to admit that the removal of the duty would accelerate the movement of cattle to the United States. There were conditions in the United States independent entirely of the tariff which amply justified the movement of cattle from this country to the other side during those months. The country from which the United States has for years obtained her greatest number of cattle is Mexico, and conditions in that country have been such lately that the exportation of cattle from Mexico has very much decreased. I think I can show conclusively why cattle have been exported from Canada to the United States and why the price of meat has gone so high in that country, and also in this. The United States census of 1910 contains the information that the number of beef cattle in the United States in 1910 was 9,840,239 less than in 1900. The United States Government also furnishes us with the fact that from 1910 to 1913 there was a further reduction in the number of beef cattle in the United States of 10,249,000, a total reduction in thirteen years of over 20,000,000 head. While I think I may fairly estimate the increase of population in that country for the same period at over 10,000,000 people. If there is anything at all in the basic principle of supply and demand, these figures amply justify the movement of cattle from this country into the United States where their herds have been largely depleted. In the United States from 1910 to 1913 there was a loss of 7,734,000 sheep and from 1911 to 1913 a loss of 4,442,000 hogs. Surely these figures are significant; and I think, apart altogether from United States tariff reduction, we have in these figures ample justification for the increase in the price of beef and for the movement of cattle from this country to the other side of the line. The Wilson-Underwood tariff has made some things very clear to my mind, and one is that you cannot reduce prices through the tariff until there are sufficient importations to affect potentially the supply within the country. I think we may accept that as a truism and it has been clearly demonstrated in the United States since the Wilson-Underwood tariff came into operation. Prices in the United States have not as yet been appreciably affected because the imports have been practically negligible as compared with the home production of the articles imported. But the conditions in Canada are vastly different from the conditions in the United States. If we were to remove the duty, as the United States has done by the Wilson-Underwood tariff, and these importations, or even a portion of them, were to come into Canada as they have gone into the United States, the importations into this country would not be a negligible quantity as compared with our production; they would absolutely swamp the Canadian farmer and put him out of business. This is the proposition which hon. gentlemen opposite offered to the farmers of Canada in 1911, and which they are offering to them to-day.

I have said that the prices of food in the United States have not been materially affected since the Wilson-Underwood tariff came into operation. I want to give proof for that statement. I refer hon. gentlemen opposite to Bulletin No. 138 of the United States Department of Labour. This bulletin takes into account the retail prices of some fifteen articles of common consumption, and the prices have been carefully obtained from forty principal cities on the other side of the line. These articles are: potatoes, eggs, round steak, ham, rib-roast, sirloin steak, bacon, poultry porkchops, milk, cornmeal, lard and butter, flour and sugar. The prices of these articles, obtained in the way I have indicated, are given for the months of October, November and December, 1913, and for the same months in 1912. According to this bulletin, in the month of October thirteen out of fifteen articles increased in price, while two diminished; in December twelve out of fifteen articles increased in price, and three diminished as compared with the same month in the preceding year. I give these facts as I get them, and I assume them to be correct. The United States Government took means, as we should naturally expect them to do, to ascertain whether the Underwood-Wilson Tariff was having the effect hoped for in

the reduction of prices. Perhaps I had better put these figures on record for the month of October, 1913, as compared with October, 1912. The increases were: potatoes increased 42·3 per cent; eggs, 14·2 per cent; round steak, 12·9 per cent; ham, 10·6 per cent; rib roast, 8·8 per cent; sirloin steak, 8·3 per cent; bacon, 8·2 per cent; poultry, 7.5 per cent; pork chops, 6.3 per cent; milk, 2·7 per cent; cornmeal, 1·7 per cent; lard, 1 per cent; butter, 3·7 per cent. The decreases were: sugar, 8·8 per cent; flour, 2·6 per cent.

Now, I wish to refer to another matter, to which a good deal of attention was paid by the hon. member for Red Deer (Mr. Clark) in an address delivered in this city of Ottawa. He called this address 'Parallels of history,' and he was moved to make that address because of the passing of the Underwood tariff in the United States, which he looked upon as an indication that the United States was going to follow the example of England and become a free-trade country. The hon. member for Red Deer is not at present in the House to-night. Since he came into this House he has on every possible occasion advanced his views in favour of free trade. In England in 1841, 49 per cent of the population was rural, and in 1861, 45 per cent of the population was rural. I think I am right in assuming that at the time when the Corn Laws were repealed more than half the population of England was urban. At the same time the conditions in continental Europe were very different. In France, 75 per cent of the population was rural; in Prussia, 72 per cent; in Belgium, 75 per cent; in Norway, 87 per cent, and in Sweden 87 per cent. I mention these facts to indicate that there were reasons why England adopted that free trade policy, and there were reasons also why that policy did not appeal to other countries in Europe. There is another point: About the middle of the last century, when England adopted free trade, there was no other country in the world which could be classed with England as a manufacturing country. It has been said that in certain parts of England, standing on the top of a high building, one could look in one direction and see the spot from which they brought the iron, and looking in another direction he could see the spot from which they brought the coal, while past the half-way point flowed the river which would take to market the manufactured product due to bringing together of the iron and the coal. In other words, the giant levers of national progress in England represented by coal and iron lay close together and gave the country an advantage which other countries did not possess. England relied upon her ability to more than compete in manufacturing, and she relied upon the freight rates on goods coming into the country to protect her farmers. Sir, I contend that there is no such condition as that existing in Canada, and never has been, neither is there a similar condition in the United States to-day. It is true that in the United States the urban population has grown very enormously as compared with the rural. In 1890 the urban population of the United States was 36 per cent of that total. Twenty years later, in 1910, the proportion of town dwellers had increased to 46·3. I think we may fairly assume that the population of the United States is now about evenly divided between urban and rural, specially when we allow for the fact that in these figures only those are counted as urban who live in towns with a population of not less than 2,500. In 1910, there were nine states in which between 40 and 45 per cent of the population was urban, and 15 states in which from 50 to 96 per cent of the people dwelt in cities and towns. There were 115 cities of 50,000 population and upwards; and of these 13 cities had a population of from 250,000 to 500,000; 5 cities had a population of from 500,000 to 1,000,000, and 5 had a population of over 1,000,000. If these facts in regard to the enormous increase in the urban population in the United States furnish any indication as to why the Underwood-Wilson Tariff was inaugurated in that country, I submit that there are no similar conditions in Canada and nothing to warrant the people of Canada in moving in the direction of free trade or taking off our protective duties.

The question is often asked why the boy leaves the farm. That has been the subject of a good deal of comment in the newspapers and in this House. Well, Sir, I believe the reason is simply this: The educational advantages, which twenty-five or forty years ago were more or less restricted to the cities and towns, have now become general, and the boy in the country, through education, has come to realize that there are opportunities for him in other walks of life as well as in farming. In other words, the cities and towns have been making a bid against the country for the boy, and the city has outbid the country. The country must

be put in a position to raise the bid if you are going to retain the boy on the farm. Demonstrate to the boy on the farm that with the same amount of capital and the same expenditure of energy, ability, and time, he can realize as good a profit as in other walks of life, and you keep him on the farm. He does not go to the city because there are moving-picture shows there or because of any other similar attractions that the city has to offer. I appeal to every member of this House, if it is not true that when you look over the population of your cities and towns and consider the boys who have come from the country to the city, you will find that those boys have not devoted themselves to frivolity but that they more than held their own with the others. This is proof positive to my mind that the country boys do not go to the cities because of attractions there which do not exist on the farm, but because they believe, and because experience in this country has taught them to believe, that they can make more money with the same amount of capital, energy, time and ability than they can on the farm.

It is up to us to try to change those conditions, but I submit that they cannot be changed by doing as hon. gentlemen opposite want to do: by taking down our tariff walls and forcing the Canadian farmer to compete with the surplus production of all the agricultural countries of the world. You cannot induce the farmer to stay on the farm in that way; you cannot induce him to stay on the farm by decreasing his profits, and an inadequate tariff would undoubtedly decrease his profits. If you expose the Canadian farmer to the competition of the surplus products of all the world, you force him always to accept the lowest possible price for his produce, for just as soon as the prices under those conditions would become attractive, the products of other countries would flow into Canada and bring the prices down. The Canadian farmer is entitled to even more protection than he has at the present time on his produce.

Two matters which were referred to in the Budget speech attracted my attention more than any others. I refer to the pronouncement of the Minister of Finance with regard to wheat and to agricultural implement, and I desire just now to make a few observations with regard to the question of free wheat. Allow me to say that I have the greatest sympathy for the farmers in the West. I lived in the West myself for three years; and I have now a brother and other relatives in the West, all of whom are engaged in farming. When I say that I have the greatest sympathy for the farmers of the West in their present difficulties, I am but expressing what I sincerely feel. The farmers of the West are not getting at the present time the prices and profits on their grain which they think they should get in order to make farming as profitable as they would like it to be. Hon. gentlemen opposite say that the remedy for this is to remove the duty from wheat and flour, because the two must, of course, go together. The United States has offered to admit Canadian wheat and flour free of duty as soon as Canada removes the duties upon wheat and flour coming from the United States. Hon. gentlemen opposite took a very different position in 1911 when they proposed that wheat should be reciprocally free. I quote from Mr. Fielding's speech on January 26, 1911:

> Flour is now to be dutiable at the common rate of 50 cents per barrel. Canada's reduction is 10 cents per barrel.

What reason did the hon. gentleman give for this reduction on flour and this proposal to make wheat free? Allow me to quote further from the speech he delivered in this House on the date I have mentioned:

> In the discussion of tariff items in this House in by-gone years, there were two items which were commonly bracketed together, strange as it may appear. I refer to coal and flour. In the early days of the discussion of the duties on these articles, it was argued with much force that the coal duty was rather a burden on the people of Ontario, and that the flour duty imposed a burden on the people of the lower provinces, and that, on the principle of give and take, the people of the two sections should be willing to have these two duties imposed, each section profiting by that policy. I need not now go into the discussions which took place at that time. We are now proposing to bracket them together. We are making a small reduction in the duty on coal of 8 cents a ton.

Under the reciprocity pact Mr. Fielding and the Liberal party absolutely refused to take the duty off flour, and every hon. gentleman sitting on that side of the House applauded that refusal and said that Mr. Fielding was right in taking that course. It is all right, they said, to take the duty off wheat, but do not take it off flour. They are singing a very different tune now.

Another matter to which I wish to direct attention in connection with the wheat question is that under the Underwood tariff Argentine wheat is now admitted free into the United States. The Argentine Republic is one of the great wheat-pro-

ducing and wheat-exporting countries of the world. Argentine wheat can be landed as cheaply at New York and New Orleans as at Liverpool and Glasgow. After three months' operation of the Underwood tariff, this is what the Modern Miller, a paper published in the United States and devoted entirely to the milling interests, said on January 10, 1914:

> It would not now be safe to predict that Argentina in the course of a few years to come, will not invade our markets with wheat to the extent of making wheat prices on our coast very strong rivals of prices at the most remote interior points. Millers may have some interesting developments from Argentine free wheat that will prove as surprising as the corn importations.

What happened in regard to corn? As everyone knows, the United States is the greatest corn-producing country in the world, producing practically as much corn as all the other countries of the world put together. In the months of October, November and December, 1912, 4,000,000 bushels of Argentine corn were landed in the United States, over 3,000,000 being landed at New York. The Modern Miller, referring to the period which I have mentioned, said:

> 15 vessels were en route to the United States from Argentina either loaded with or loading corn. One large American manufacturing company ordered 5,000,000 bushels of corn for future delivery and some of the present crop is offered at from 8 to 10 cents per bushel below United States prices.

I commend these facts to the consideration of hon. gentlemen of this House. If that happened with regard to corn coming from Argentina, it seems to me that the words of the Modern Miller with regard to the possible effect of these large importations of Argentine wheat into the United States are worthy of the very careful consideration of hon. gentlemen of the House before we throw our markets open to American wheat and American flour. In view of these facts, and in view of the further fact mentioned by the hon. Minister of Finance that two other transcontinental railway lines are nearing completion; that the Hudson Bay railway will soon be completed, and that the possibilities of the Panama canal as another transportation route are yet to be determined, I think the Minister of Finance gave good advice to this House—and hon. gentlemen will do well to heed that advice—when he said that it would be well to wait and see what the completion of these railways and the opening of this canal may do towards relieving the situation in our western country. I understood the member for West Kent (Mr. McCoig) to say that our consumption of wheat in Canada amounted to something like fifty million bushels, but I think it is really a little more than that. The consumption of wheat per head of population in the United States is 5·6 bushels; in the United Kingdom, 6 bushels; in Argentina, 6·5 bushels; in New Zealand, 7·1 bushels; and in France, 7·8 bushels; while the consumption per head of population in Canada is given as 9·4 bushels. Our large consumption is accounted for to a certain extent by the fact that a large amount of wheat of poorer grade is fed to stock, especially in the Northwest. But on that basis, if you take the population as given by the last census for each of the provinces, and multiply that population by 9·4 bushels per head of population, and then deduct from that the amount of wheat produced by each province, you find that in all the provinces of Canada, excepting the prairie provinces, Manitoba, Saskatchewan and Alberta, none produces sufficient wheat to supply its own needs. The province of Ontario uses over 23,000,000 bushels, produces over 18,000,000 bushels, and has to buy over 5,000,000. The province of Quebec uses over 18,000,000 bushels, produces a little over one and a quarter millions, and has to buy over 17,000,000 bushels. Nova Scotia has to buy over 4,000,000 bushels, New Brunswick over 3,000,000, Prince Edward Island over 362,000. British Columbia, I think, buys one and a half million bushels and the Yukon about one quarter of a million. In other words, the provinces which I have named, use or consume 55,292,199 bushels of wheat and produce 22,829,000 bushels, and have to buy, and do buy, for their own use 32,463,199 bushels of wheat. This 32,000,000 bushels the people of Ontario, Quebec, the Maritime provinces and British Columbia must take from farmers in the Northwest. I ask my friends from the Northwest to keep that in mind when they are considering a market for their wheat. Their best market is, of course, the United Kingdom, but the other provinces of Canada cut no small figure as a market for the wheat of the Northwest. And why is this? Why is it that in Ontario and in the eastern provinces they are consuming more wheat than they produce? It is because the National Policy, inaugurated many years ago, has built up a population of consumers in this country, who are taking the products of the

Northwest. I ask hon. gentlemen to give that due consideration when they are considering this very important question.

When we compare conditions in the West with conditions in the East we find that, so far as the rural population is concerned, conditions in the West are better to-day than in the East. I will give some reasons for making that statement. The value of livestock and poultry in Manitoba for the year 1911 amounted to $62,707,000; in Saskatchewan to $155,767,000; and in Alberta $83,231,000. The value of field crops for the same year in the same provinces was $76,500,000 in Alberta, $115,426,000 in Saskatchewan and $48,475,000 in Manitoba, a total for the three provinces mentioned in live stock, poultry and field crops, of over $502,000,000. Let me remind hon. gentlemen that in Ontario the total value of live stock, poultry and field crops amounted to $421,610,000, so that this one province of Ontario cuts no small figure in the production of live stock and field crops. But allow me further to state that the people of Ontario, the farmers in this province, have invested in land at least $758,000,000; in buildings $335,000,000; in implements over $86,000,000 and in live stock $225,000,000, or a total of $1,405,000,000. If you take the rural population as given by the last census of the Prairie provinces, and of Ontario, these being the only ones I have taken for purposes of comparison, you will find that the average value of live stock, poultry and field crops per family in Manitoba, amounted to $2,727; in Saskatchewan, $3,203; and in Alberta, to $2,829; while in Ontario it amounted to $1,772. In all earnestness, I would ask our friends from the West to consider that, and also that in the province of Ontario it has taken a great many years for our farmers to attain even at the present day what wealth they have. They have had ups and downs. There was a time in Ontario and Quebec, and many hon. gentlemen here will remember it perhaps more distinctly than I do, when our farmers were dependent on the production of barley as their staple crop. A prohibitive tariff was placed on barley by the United States. It excluded our barley, and the farmers of Ontario and Quebec were up against it very strongly indeed. They hardly knew what way to turn, and it was a severe blow to them. But the farmers of the eastern provinces met that disaster, because it amounted to a disaster to them at that time, by going into dairying and building up the dairying industry, of which, in Ontario and Quebec to-day, the farmers have every reason to be proud. It may be that under present conditions in the Northwest the farmers are not realizing what they should realize and what they would like to realize from their grain, but I hope they will meet those conditions with the same fortitude that their forefathers did in the eastern provinces, and will fight their way to a better state of things.

The hon. member for Rouville (Mr. Lemieux) drew attention to the report of the Grain Markets Commission, issued by the province of Saskatchewan. He commended that report as one well worthy the attention of members. Through the courtesy of some person in Saskatchewan, a copy of that report was sent to me during the Easter vacation, and I have carefully read it over. There are some things in it to which I wish to direct the attention of the House. On page 103 of that report, I find it stated that the wheat requirements of the principal importing countries for the year ending 1912-13, which were estimated by deducting their exports from their imports, were as follows:

Requirements of importing countries, year ending July 31, 1913, obtained by deducting Exports from Imports.

	Bushels.
United Kingdom	213,054,943
Germany	77,936,246
Belgium	53,358,353
France	45,741,363
Italy	77,110,184
Netherlands	13,468,326
Total	480,669.415

We also learn that of the great wheat producing countries Russia is first with 799,814,000 bushels, the United States comes next with 728,748,000, and then India with 350,229,000; Canada, 199,821,000; Argentina, 198,000,000, and Australia with 91,777,000; so that the United States, which hon. gentlemen opposite say affords a market for our wheat, ranks second amongst the wheat producing countries of the world. How do these countries rank as to exports:

		Bushels.
1st.	Roumania	173,000,000
2nd.	United States	100,000,000
3rd.	Canada	95,000,000
4th.	Russia	94,000,000
5th.	Argentina	93,000,000
6th.	Hungary	53,000,000
7th.	Australia	33,000,000
8th.	India	30,000,000

Mr. SCHAFFNER: Those figures do not include flour?

Mr. EDWARDS: No; I will deal with flour in a few moments.

Where does Canada stand in regard to the imports into the United Kingdom for the year ending May, 1913?

Imports into United Kingdom for year ending May, 1913.

		Bushels.
1st.	United States	49,540,000
2nd.	Argentina	42,647,000
3rd.	India	41,855,000
4th.	Canada	38,229,000

For the year ending August 31, 1913, Canada supplied only 19 per cent of the wheat sent to the United Kingdom. It is made manifest in this report that the United States gets a larger share of continental markets than Canada both in wheat and flour. It may also be noted that this same authority tells us that as regards imports of flour into the United Kingdom, the United States supplies nearly half of the total and over 1,000,000 cwts. more than Canada. In this connection let me say that France imposes a duty of $2.50 a barrel on flour and 37c. a bushel on wheat. Germany imposes a duty of $2.20 a barrel on flour and 36c. on wheat. Belgium 35c. a barrel on flour and nothing on wheat. Canada imposes a duty of 60c. a barrel on flour and 12c. on wheat. France, besides imposing duties on flour and wheat, gives agricultural credit to the farmers of that country, a subject which I hope will engage the attention of this House at an early date. At the present time our Canadian farmer pays more for his credit than any other class of the community. Agriculture is the basic industry of this country, and if it is possible for this House to arrange matters so that the farmers will be able to borrow at a lower rate of interest, anything along that line will receive my very hearty support. If we compare the duties imposed by Canada on wheat and flour coming into this country with the duties imposed by other countries, some of which are large importers of wheat and flour, it cannot be said that we have an exorbitant protection for those industries in this country.

I want to place on 'Hansard' this sentence from the report of the Saskatchewan Grain Commission:

> Canada's principal competitors among the wheat-exporting nations of the world are, Russia, Argentina, India, Australia, and the United States.

Last night the hon. member for Rouville (Mr. Lemieux) referred to all these countries except the United States, until I jogged his memory. I also wish to draw particular attention to the following taken from the same report:

> Whether the Canadian miller could continue to compete successfully with the United States miller were the United States duty taken off Canadian wheat is a question that only the event can prove. The commission sees no reason why, in view of the protected home flour market which he enjoys, he would not still be able to compete successfully.

These are not my own words but are taken from the report of the Saskatchewan Grain Commission. The commissioners very distinctly indicate that they have doubt in their minds as to whether the Canadian miller could if the duty were taken off wheat, compete successfully with the American miller. They say that only the event can prove whether it would be successful or not, but if the duty on flour coming into this country is retained the commissioners think the Canadian miller might be able to compete successfully even if the duty were taken off wheat. But that is not what hon. gentlemen opposite would have us do, although that is precisely what Mr. Fielding proposed to do in the reciprocity pact of 1911 and which hon. gentlemen opposite then applauded and said was the proper thing to do. Mr. Fielding said: 'Let the wheat come in free, but we will not let flour come in free. We can compete in wheat but we will not subject the millers to free competition in the matter of flour.' Every member on the Liberal side approved of that in 1911, and every member on the Liberal side if we may judge by their attitude to-day repudiates it at the present time.

There are many suggestions in this report of the Saskatchewan Grain Markets Commission which are worthy of earnest consideration. For instance:

> 1. The possibility of developing a waterway from Alberta to Fort William.
> 2. Cheaper credit for the agriculturist.
> 3. More equitable ocean freight rates and insurance rates especially out of Montreal.
> 4. A larger measure of mixed farming in the West as an undoubted means of reducing the cost of wheat production.

The commissioners took evidence in regard to that latter suggestion from the farmers of the West and they report that the consensus of opinion is that mixed farming would materially reduce the cost of producing wheat in the West.

> 5. The improvement of country roads to shipping points.

There is mighty little comfort in that suggestion for hon. gentlemen opposite, who by their course in this House have deprived the country of hundreds of thousands of

dollars for the improvement of country roads. I fancy they will be up against it when they meet their constituents in regard to that matter. There is one other quotation to which I wish to direct attention particularly of the hon. the Minister of Public Works. After referring with marked approval to the deepening and improving of the Welland canal which when completed will admit to the waters of lake Ontario any vessel now on the Upper Lakes, the report says:

In readiness for this looked for business, the Dominion Government is constructing an entirely new port in the mouth of the Rideau river at Kingston. At the new quays any lake vessel will be able to berth in safety. Kingston hopes, and the farmers of Saskatchewan should hope and urge that the Dominion Government will erect and operate as part of these new facilities a transfer elevator just as their predecessors did at Port Colborne, only with this exception, that they will take into account the success of the latter elevator and build the new one very much larger at the outset.

I do not represent Kingston, but as my constituency adjoins Kingston my interest in that city is secondary only to that of its member. Whatever benefits that city will undoubtedly benefit the surrounding country. I commend that quotation to the Minister of Public Works and hope the suggestion will receive his consideration.

Now, I come to another matter to which I wish to direct the attention of the House for a while, and that is the question of farm implements.

At six o'clock, the House took recess.

The House resumed at eight o'clock.

Mr. EDWARDS (resuming): Before touching on the matter of agricultural implements, I desire to make one or two brief references to the question of wheat. It has been stated that within the last year or two the ocean freight rates on Canadian wheat have been very materially increased, and that there is a decided discrimination in these rates against Canadian flour. If that assertion be correct, if there be a combine or merger amongst ocean freighters, exacting an unfair and unjust tax for carrying wheat and flour from Canada across the ocean, I for one would favour seeing this Government embark upon a policy of constructing ocean freighters to carry Canadian wheat and flour across the ocean, and thus relieve the producer of these articles from the unjust exactions of any such combination.

The other matter to which I wish to refer is this, that in my judgment free wheat, and therefore free flour, if it has the effect which hon. gentlemen opposite claim it will have of sending our western wheat across the line south to Minneapolis, will have the result of increasing the price of bran and shorts to the farmers of this country by at least $3 a ton. That would be a serious matter for the Ontario farmer, for the Quebec farmer, and also for the farmers of the West. Every encouragement should be given to the western miller to mill the wheat of the West in that country, and to the western farmer to produce stock in the West. The hon. member for West Kent (Mr. McCoig) said that if the western farmer were driven into mixed farming, the result would be disastrous to the farmer of the East. I can imagine the hon. gentleman picturing trainloads of stock coming from the West to the East, and prophesying dire calamity to the eastern farmers if they had to face that competition. I do not think the hon. gentleman need have any fear or that the eastern farmer will have any fear on that ground. I believe the eastern farmer will wish the western farmer every success in the producing of stock, although that stock may compete in the eastern market, with stock raised in the East. The hon. member for West Kent seemed to be trembling with fear for the eastern farmer on account of that competition. I can imagine what cold shivers must have gone up and down his spinal column when his right hon. leader in the city of Hamilton spoke of free food. Free food meant, if it meant anything, the opening of our doors and the introduction into Canada of food from all parts of the world. Let it come in as freely as possible, was the Liberal proposition in 1911. That is what I understand to be meant by free food today, and it does not seem to terrify hon. gentlemen opposite. Yet the prospect of a few car loads of hogs coming from western Canada to Toronto or Montreal sends cold shivers through the hon. member for West Kent. He said that in his part of the country three or four farmers would combine and buy a mower which they would use amongst them. He also very vigorously declared that what the farmers wanted were free hay loaders, and free hay tedders. If three or four farmers can get along with one mower, I fancy their need for hay loaders and hay tedders would not be very great. The hon. member for West Kent wants an increased duty on raw tobacco. I am not finding fault with him for looking after his own part of the coun-

try. It is all right for him in behalf of his constituency to advocate in this House, as he did a short time ago, a bounty of a cent and a half a gallon on crude petroleum, but I submit that the hon. gentleman, in advocating protection for certain things which belong to his particular locality and free everything else is getting down to the narrowest form of localism. That is not an unusual sight, however, to see on the other side of the House. The hon. member for South Cape Breton (Mr. Carroll) travelled all up and down the scale, advocating free food, free implements, but plenty of protection on iron, on steel and on coal. He was echoed in times past by the hon. member for North Cape Breton (Mr. McKenzie). The hon. member for Pictou (Mr. Macdonald) and the junior member for Halifax (Mr. Maclean) will not advocate free coal, they dare not do so. The hon. member for Red Deer (Mr. Clark) advocates free trade in everything. 'Not at all,' says the hon. member for Rouville (Mr. Lemieux), 'that will not do.' 'Reciprocity,' said one hon. gentleman on the other side of the House. 'I will not stand for reciprocity,' says the hon. member for Welland (Mr. German). In January, 1911, the right hon. leader of the Opposition said, 'We are a united party on this side of the House in regard to reciprocity.' The hon. member for Kings and Albert (Mr. Fowler) on November 28, 1912, put this question:

> Mr. FOWLER: Is the hon. member for St. John in favour of reciprocity?
>
> Mr. PUGSLEY: I may say emphatically yes. . . .
>
> Mr. FOWLER: . . . Perhaps the right hon. the leader of the Opposition will be willing to answer now.
>
> Sir WILFRID LAURIER: With great pleasure. We are a united party on this side. We never vary.
>
> Mr. FOWLER: That is a still more clever lawyer's evasion. I ask the right hon. the leader of the Opposition: 'Were you in favour of reciprocity as it was presented to the people of Canada during the elections of 1911?
>
> Sir WILFRID LAURIER: I know of some Liberals who have varied their views upon that. I am not one of them. I stick to my ideas.

It is quite true that the right hon. gentleman knew of some Liberals, quite a number of them, who had changed their views very materially. The election figures of 1911 demonstrate that pretty clearly. The hon. member for Rouville (Mr. Lemieux) in his speech last night was at times advocating protection and again he was talking along free trade lines. The hon. gentleman seems to be troubled with a kind of political ague. At one time his political temperature ran up along free trade lines above 104; the next moment his temperature dropped by crisis to subnormal.

But the hon. gentleman seemed desirous of bringing these two extremes together and reaching a happy average. To use his own words, 'a man can prove almost everything from the law of averages,' and the hon. gentleman endeavoured to strike an average between the high political temperature and the subnormal, and wound up by calling himself a 'moderate protectionist.'

Now, I desire to deal with the question of agricultural implements. But before coming directly to that point, let me say that I was struck very forcibly by the manner in which the hon. member for West Kent rather denounced the Massey-Harris Company, and in fact pretty nearly all agricultural implement companies in this country. He was very strong in his advocacy of free trade in agricultural implements. I understand the hon. gentleman is the agent in his part of the country for the McCormick Manufacturing Company, which has its head office, I believe, on the other side of the line. So, we may see the reason for the hon. gentleman taking the course he did. He naturally would like to see the McCormick implements come in here—it would bring more grist to his mill.

In 1894, the duty on agricultural implements was reduced by the Conservative party from 35 per cent to 20 per cent. The Liberal party denounced protection for eighteen years. The Liberal platform of 1893 declared explicitly against protection. And the present leader of the Opposition (Sir Wilfrid Laurier) was very emphatic in his utterances on that subject. As he is a man of peaceful and mild appearance, one would naturally suppose that strong words from him would have all the more force throughout the country. There are some men who, if they made use of such blood-curdling expressions as those of the right hon. gentleman, would not impress people greatly. But when a peaceable-looking gentleman like the right hon. leader of the Opposition declared that if the Liberals were returned to power 'they would cut off the head of protection and trample on its body,' people would naturally believe that the right hon. gentleman was opposed to protection. Sir Richard Cartwright was equally emphatic. He declared that the policy of the Liberal party was death to

protection; but in 1900 a banquet was tendered in the city of Ottawa by the Ontario members of Parliament and Senators to Sir Richard Cartwright, and at that banquet, of course, the present leader of the Opposition spoke, and he made use of these words as reported in the Toronto Globe of the next day, 10th of May, 1900:

I may give you an instance which has come to me from very reliable sources and it is a thing which goes far to show the character of our guest of the evening. In the days of Mackenzie when the country was much depressed, there were many who believed that if the tariff was increased that policy would be justified by the necessities of the revenue and that it would be a valuable policy for the country at large. I can give you the story without betraying any secrets; these things happened before my day, but if the advice of Sir Richard Cartwright had prevailed at that time—

That is in 1876.

—this policy would have been adopted.

That is the policy of increased protection.

If it was not accepted it was on account of other influences which prevailed with the Government of the day; and for sixteen or twenty years Sir Richard bore the brunt of the obliquy of not having responded to public sentiment, whereas the truth was, he was ready to respond to public sentiment. For eighteen years he bore the brunt of the obloquy and never whispered a word.

Certainly, most wonderful self-restraint on the part of Sir Richard Cartwright. What happened in 1876 was this: As intimated in the words I have just read, there was a very strong sentiment in favour of increasing the protection to twenty-five per cent. Mr. Jones of Halifax and Mr. Church, of Lunenburg I believe, were two gentlemen who came to Ottawa and threatened to bolt from the party if the tariff were increased. Any person who takes the trouble to read the Budget Speech of Sir Richard Cartwright in 1876 will find that speech going along one line deliberately up to a certain point and then suddenly breaking and coming down the other way. The fact is he had prepared it along high protectionist lines, and not caring to go through the turmoil and bother of preparing another speech, he simply began again with a 'but' and started on the down grade. This was because he had received deputations from Nova Scotia. If you look at 'Hansard' of that year, page 324, you will see that Mr. Jones, not only admitted that he had threatened to bolt but that he justified himself for having threatened to bolt. This, however, is just by the way and in order to enable hon. members to appreciate the remark of Sir Richard Cartwright in 1896 that the policy of the Liberal party was 'death to protection.' Then there was Mr. Paterson who said 'We declare for freedom of trade' Sir Louis Davies said 'Protection is a system accursed by God and man.' We have not anything to indicate that the divine wrath has rested upon us by reason of protection, but we have ample evidence of curses from some of the Liberal party—but these curses have been considerably moderated at different times to suit political exigencies.

The Liberal party took office in 1896, and people looked with fear and trembling to the beginning of the reign of terror which had been promised. Some of the bolder ones came down to Ottawa expecting to see the robes of office of the Government bespattered with the blood of beheaded manufacturers and to see the soiled shoes of the leader of the Opposition after he had trampled on the decapitated corpse of protection. But the days ran into weeks, the weeks into months, and the months into years and nothing was done. In 1907, a very few minor changes were made in the tariff. But it is at least certain that the head still remained attached to the body of protection. I think I am safe in saying that much at least. In fact you would have to use a microscope, and use it diligently, to find where even a hair on the head of protection was even ruffled by this party which had declared its intention of cuttting off the head of protection. You will certainly find no marks of violence on the body. In regard to agricultural implements, in 1907 an apparent reduction of duty was made from twenty per cent to seventeen and one-half per cent. I say 'an apparent reduction,' and I use the words advisedly. For instance the duty on a binder was reduced from twenty per cent to seventeen and one-half per cent. But when the duty was twenty per cent ad valorem, the valuation of a binder for duty was $80, so that the duty on a binder amounted to $16 at that time. But afterwards, with the duty of seventeen and one-half per cent, the valuation of a binder for duty purposes was made $100 and consequently the duty collected was $17.50 or $1.50 more than before.

That was in 1907. An election was pending in 1908, so the Liberal orators went out on the stump and said to the farmers: we could not slaughter this terrible monster, protection, all at once, but we have sharpened our swords and taken a slash at

it. We will follow this up; trust us and see what we will do in the future. Then they turned to the manufacturers and said: fear not; we will not hurt you. We will simply increase the valuation for duty purposes and point out to the farmer that we have reduced the duty from 20 to 17½ per cent, and he will think he is getting things cheaper. Of course you know that when we increase the valuation for duty purposes it will not hurt you a particle. That is what they did. In April, 1907, the hon. member for Souris (Mr. Schaffner) moved in this House the following resolution:

That the committee reconsider item 445, and that it be amended by striking out the figures 17½ per cent in the general tariff and inserting in lieu thereof the figures 10 per cent.

This resolution, the vote on which stood twenty-two to fifty-six, was, of course, voted down by the Liberals. Amongst hon. gentlemen in the House at that time was the hon. member for Assiniboia (Mr. Turriff) and the hon. member for Moosejaw (Mr. Knowles), who voted against the reduction in duty proposed by the hon. member for Souris. The hon. member for Assiniboia, who was very earnest the other night in advocating free agricultural implements,' spoke against that reduction. I quote from his remarks at page 5597 of 'Hansard' of that year:

I shall give the Government hearty support, for I believe that the policy of the Government is in the interests of the country.

Contrast that, if you please, with the motion supported by this hon. gentleman a few weeks ago. The Hon. Mr. Paterson also spoke on that occasion. On page 5582 you will find these words:

I do not disguise the fact that we propose to give these people—

That is, the manufacturers.

—nearly the amount of reduction in duty, that has been made. For it must be remembered that 17½ per cent is no more than a revenue tariff.

What are we to infer from that? Every hon. gentleman on the other side of the House agreed that 17½ per cent was no more than a revenue tariff. What do they mean by that? That when a Liberal Government is in power, with their peculiar methods of administration and expenditure, you must have at least a 17½ per cent tariff, but when a Conservative Government attains office, you must look for an entire abolition of the duties. Another very distinguished gentleman, the Hon. Mr. Fielding, then Minister of Finance, spoke on that occasion. On page 5621 may be found the following remarks made by that hon. gentleman:

By a careful calculation we are advised that the drawbacks we allow are somewhat less than the disadvantage under which the manufacturer is placed by the reduction of the tariff. Even suppose for a moment that he got everything free and had a duty of 17½ per cent on the implements, would that be an extravagant duty as things go in this country? I believe this proposal of the hon. member for Souris, if adopted, would do an injustice to an established industry.

My belief is that if this motion were passed we would strike a severe blow at one of the great industries of the country. I believe the International Harvester Company would find it to its interests to close up its business in Hamilton, at least so much of it as is devoted to mowers and binders and have them made at the American branch and bring them from the United States. The factory in Hamilton is an American concern. With a moderate duty we have induced American capital to come into Canada and to establish that great industry and after we have brought it in and established it in Canada I believe that if we were to pass this resolution the company operating that industry would find it profitable to close the Hamilton factory and bring in the goods which they make in the United States.

That is an expression of opinion by no less a person than the Finance Minister of the Laurier Administration in 1907, and that expression of opinion was endorsed by every hon. gentleman on the other side of the House. I find it very difficult indeed to reconcile the position of these hon. gentlemen to-day with the position they took at that time. The hon. member for Assiniboia made use of these words, and they may be found at page 5624 of 'Hansard':

The tariff commission got information all over the country and I do not think the farmers to the West, at all events, asked for a great reduction such as is proposed by this resolution on agricultural implements. They asked that the duties be left alone. I shall give the Government hearty support on this question.

So that according to the hon. member for Assiniboia, in 1907 the farmers of the West, for whom he spoke, were opposed to any reduction in the duty on agricultural implements; they wanted the duty left alone.

Let us follow the history of this matter a little bit further. In the reciprocity pact of 1911 the proposed reduction of duty on agricultural implements was from 17½ to 15 per cent. On that occasion the hon. member for Dundas (Mr. Broder), who is ever alert when the interests of his fellow farmers are at stake, and who was mindful of what took place after 1907, when there was a reduction of duty from 20 to 17½ per

cent, and when the duty for valuation purposes was increased as really to make the actual duty paid greater than it was before, asked this question of Mr. Fielding when he was presenting his pact to the House:

> Is there any change to be made in the valuation for duty?

One can understand exactly why the hon. member for Dundas put this question.

> Mr. Fielding: Our negotiations have not touched the question of valuation: that must be left to the operation of the customs authorities of the two countries.

So that not only did these gentlemen deceive the people in 1907 by giving them that apparent reduction, but they were evidently preparing to do the same thing in the reciprocity pact of 1911.

If we want any further proof of the insincerity of hon. gentlemen opposite in regard to agricultural implements, we have it in the fact that for years there was a standing offer from the United States on the American statute books for free trade in agricultural implements. All hon. gentlemen had to do was to accept that offer and make agricultural implements free at any time they so desired, but they refused to do so. Why did they refuse? Are we not justified in asking these hon. gentlemen whether they are sincere when they contend to-day for free trade in agricultural implements? Do they imagine for one moment that the farmers of this country are going to regard them as sincere in this matter? Speaking for the farmers in my part of the country, I believe that they will not put any dependence in the motion that was proposed by the hon. member for Moosejaw for free agricultural implements.

Following this interesting history a little farther, I may say that on January 13, 1911, a very large deputation came to Ottawa, representing the Manufacturers' Association. This deputation was received by the then Prime Minister (Sir Wilfrid Laurier), the late Sir Richard Cartwright, the Hon. Mr. Fisher, the Hon. Mr. Oliver, the Hon. Mr. Pugsley, the Hon. Mr. Graham, and the Hon. Mr. King. The deputation presented a very carefully prepared memorial to the Government of that day, and in that memorial, among other things, they declared that they represented $1,200,000,000 of invested capital, that they represented $1,000,000,000 of annual output, that they furnished direct employment to 435,000 artisans and work-people, and distributed annually $250,000,000 in wages. They further stated that they were opposed to any reciprocal tariff arrangement with the United States that would necessitate a lowering of the Canadian duty on manufactured products. They said: The United States may be ready for reciprocity, Canada is not. The answer of the then leader of the Government is contained in this document added to this memorial. Answering the deputation, the right hon. leader of the Opposition said:

> We are not oblivious to the fact that the Americans have in manufacturing interests, quite a start of us, that they have been longer in business and have a larger population, and that conditions are not exactly parallel in one country and the other.

That is our belief too, but we have acted as if we believed it, and the hon. gentlemen opposite only acted as if they believed it on special occasions. He promised that Messrs. Fielding and Paterson, who were then, I believe, at Washington conducting negotiations, in these negotiations, to use his own words:

> Will have constantly before their minds the fact that there is no parity between the two nations in their industrial development.

In the course of his remarks, he quoted a sentence which was made use of by Mr. Russell, who read the memorial for the Manufacturers' Association. The sentence quoted by Sir Wilfrid Laurier was this:

> And that is why we say to you, sir, in concluding this expression of our views, that we are opposed at the present juncture to any tariff reductions or treaties of trade that would exercise an unsettling influence upon the prosperous conditions which now obtain.

The right hon. leader of the Opposition quoted that and said:

> These sentiments I can reciprocate altogether.

Vastly different from his previous declaration about cutting off the head of protection and trampling on the corpse.

> There is one thing, I think, in which this Government can take some pride and that is that we have been very, very careful—

You will notice the double use of the adverb 'very' for emphasis.

> —that we have been very, very careful, even when we had to reform, not to disturb the conditions then prevailing in relation to the manufacturing interests of the country. When we came into office, pledged to reform the tariff, in carrying out that reform we were very careful not to disturb the conditions.

These honeyed words and promises of protection and fatherly care to the manufacturers fell from the same lips which in 1891 had expressed themselves as willing to hand over the industries and the honou-

of this country to the United States for dollars; by the same hon. gentleman who, from 1893 to 1896 declared in the most emphatic manner: Death to protection, that they were going to destroy protection root and branch if his party once came into power; the leader of the party who, in 1891, had declared for a policy of commercial union, and who in their campaign literature circulated from one end of the country to the other, had declared that if commercial union resulted in political union with the United States, then God would bless the union. This is the gentleman whose sword was sharpened and whose feet were shod to cut off the head of protection and to trample on the poor decapitated body. This is the same hon. gentleman who in 1911, as reported at page 8459 of 'Hansard' declared that the manufacturer is the best friend of the farmer. At one time he was going to utterly destroy the best friend of the farmer. Now what regard has the hon. gentleman for the farmer when he would deliberately cut off his best friend's head, and not only that but commit indignity to the poor body by trampling it in the dust? The sword which was sharpened to cut off the head has lain so long in the scabbard that it has become rusted and is as useless as a Grit pre-election promise.

Some things have been said on the other side about the high cost of living. A number of those who expressed themselves in regard to that matter did not, so far as I have been able to ascertain, show any great concern when the farmers were selling eggs at twelve cents a dozen and meat at five or six cents a pound. It did not matter to them whether the farmer was getting value for his money or not. Speaking in the village of Athens in 1896, the right hon. leader of the Opposition, who then was talking to an audience of farmers, declared that he hoped to see the day when Canada would be a dear country to live in. As I say, he was talking to the farmers at that time. At the present time, the world is consuming its surplus of agricultural products and the country is losing its producers. Why? Because education has opened the door of opportunity and the city has outbid the country for the boy on the farm. But the right hon. leader of the Opposition said in Hamilton not long ago, that his policy, for the moment, was free food. I am very glad that that little phrase, for the moment, was in there. Free food means a lower price to the farmer for his products, and I want to tell the right hon. gentleman that no government in Canada can hope to reduce the cost of living to any appreciable extent by reducing the profits of the farmer, for the very logical reason that the lower you reduce the profits of the farmer, the more of the people you drive out of producing on the farms. The policy is absolutely illogical from start to finish. Reference has been made at various times, more particularly by the rara avis in this House, the member for Red Deer, to free trade in England. The hon. member for Brantford (Mr. Cockshutt) quoted the other day from a speech of one of the members of the British Parliament. In that speech attention was drawn to the fact that in free trade England, which for purposes of argument hon. gentlemen opposite are desirous of making appear as a very prosperous, happy and contented country, one-half million people are permanently out of employment, one million in receipt of relief. The labour exchanges declare that in one year 2,973,000 applications were made to them for work. There is an emigration from that country of 1,000 a day, on the average, for every week day of the year. When we consider that in that country one out of about every twenty is begging for work, and one out of every 40 or 50 begging for bread, and that 1,000 a day are leaving that country—a free trade country—I think we have a right to take the assertions even of so great an authority as the hon. member for Red Deer (Mr. M. Clark) cum grano salis.

I want to express my gratification at the fact that the Finance Minister in his Budget has promised certain things which I think will be of benefit to the quarrymen of this country and to the iron and steel industries. It was my privilege to visit the great steel works of Sydney during last summer. I am heartily in favour of any policy which will encourage the iron industry in this country, and I have good reasons for saying that. In the northern part of my own county there are unlimited quantities of iron, and that applies to thousands of places in the provinces of Ontario, Quebec and New Brunswick. I would like to see everything possible done to encourage the development of that industry in this country. Hon. gentlemen opposite will preach that we can get manufactured iron and steel more cheaply from Pittsburgh than we can produce it here. Very true. It is only natural to suppose that an industry so well organized as that in Pittsburgh will be able to produce more cheaply than we in this country can for some time to come. But I want to ask hon. gentlemen opposite if they

intend to pursue that policy? What do they suppose the Almighty placed iron in such large quantities in this country for? Was it simply for ballast, or was it to be made use of? I contend that the proper thing for this country to do is to make this country what it was intended to be, a great iron-producing country.

I want to direct attention for a moment to the election returns of 1911. Hon. gentlemen opposite on different occasions have said that they would welcome another election on reciprocity, but I notice that those declarations are getting beautifully less as more light enters the heads of hon. gentlemen opposite as the days go by. In 1911 the Conservative vote increased over 1908 by over 21·2 per cent, and the Liberal vote by 5·2 per cent. Hon. gentlemen opposite are welcome to what comfort they can get out of that. I find that the Conservative increase in Ontario over 1908 was 13½ per cent, whereas the Liberal vote was actually 4·6 per cent less than it was three years before. In the province of Quebec, which is erroneously supposed by many to be almost solidly Liberal, I am pleased to say that the Conservative increase over 1908 was 38 per cent, while the Liberal increase was only 1·2 per cent. In Nova Scotia the Conservative increase was 1·8 per cent, and the Liberal increase 1·7 per cent. In New Brunswick the Conservative increase was 11·6 per cent, and the Liberal vote showed a slight decrease. In Manitoba the Conservative increase over 1908 was 14·3 per cent, and the Liberal vote showed 13·3 per cent. In British Columbia the Conservative increase was 47 per cent, and the Liberal increase 23 per cent. In Prince Edward Island there was a slight increase in the Conservative vote and a decrease in the Liberal vote of 7 per cent. In Saskatchewan the Conservative increase over 1908 was 54½ per cent and the Liberal increase 57½ per cent—not too bad a showing when you consider the total vote polled. In Alberta the Conservative increase was 45 per cent and the Liberal increase 60.8 per cent. The Yukon, with such a candidate as the Conservative party had in the field, very properly heads the poll, the Conservative increase being 279 per cent and the Liberal decrease 6·7 per cent. In every province except Alberta the increase in the Conservative vote polled over that polled in 1908 was greater than the increase in the total vote polled in each province over 1908, whereas the Liberal party notwithstanding the increase in population polled fewer votes in 1911 than in 1908 in Ontario, New Brunswick, Prince Edward Island, and the Yukon, and in Quebec and Nova Scotia the percentage of increase was less than the percentage of increase in the total vote polled. That shows a few things in regard to the election of 1911, but there are one or two other points which I might call to the attention of hon. gentlemen just to disabuse their minds of any notion that the people were not very pronounced in their verdict in regard to reciprocity in 1911. I do this in all kindness because I would like hon. gentlemen opposite to get up a new policy. So many policies have been advanced by the Liberal party that I think it would be an imposition on the people of Canada for them to go to the country again on the same policy. I would like to assure them that if they go to the country on their policy of 1911 there is not a particle of a chance of success for them, nor would there be any possible chance of a good square fight on that policy. Although I am a peaceable man I would prefer that they have a policy which would give us a good scrap. In the election of 1911 it is noteworthy—I do not think it ever occurred before in the history of Canada—that every one of Sir Wilfrid Laurier's Cabinet ministers was either defeated or had his majority reduced. In the case of the right hon. gentleman himself he was elected by acclamation in East Quebec under somewhat doubtful circumstances. We will leave it at that. He also ran in the constituency of Soulanges, which is the smallest constituency in the Dominion, and there he had the handsome majority of 142. In regard to two others of his ministers, the Postmaster General of that time (Mr. Beland) ran in two constituencies and was defeated in one and elected in the other. The hon. member for Rouville (Mr. Lemieux) also took a chance in two constituencies. He met ignominious defeat in one and was elected in the other. That is an interesting little event worthy of putting on 'Hansard.' The hon. member for Rouville was elected for Gaspé in 1896 by 42; in 1900 by 1,362; in 1904 by acclamation; in 1908 by 1,492. In 1911 he ran in the same constituency, but was defeated by 570 votes. He also ran in Rouville, where he was elected by 278. It is interesting to note that the combined vote of those two constituencies is not as large as the ordinary vote in an ordinary constituency. There are twelve constituencies in the province of Quebec which have a larger number of

voters than are on the lists of the two constituencies which the hon. member for Rouville contested in the election of 1911. So that I think I am quite fair in adding the name of the member for Rouville to the list of the Cabinet ministers who went down to defeat in 1911, because in the two constituencies he contested there was a net majority against him of 292.

Mr. PROULX: Gaspé was a deferred election.

Mr. EDWARDS: Well if the hon. member for Rouville was elected in Rouville on the 21st of September, 1911, why in the world did he run in a deferred election in Gaspé?

Mr. PROULX: He was nominated on the 14th of September, like other candidates.

Mr. EDWARDS: At all events the figures are there which indicate that in the two constituencies the vote was in favour of the hon. member for Rouville staying in the province of Quebec and not coming to this House. I have nothing further to add in regard to the last election except that I think the figures indicate very clearly and conclusively that the people expressed themselves most decidedly against the policy of free trade in natural products, which was proposed by the Liberal party at that time, and it is idle for hon. gentlemen opposite to declare that they were stampeded. The Hon. Mr. Fielding introduced that pact into this House in the month of January, 1911, and the elections did not take place until September of the same year. The people of Canada had a splendid opportunity to settle this question, it was thoroughly discussed and I firmly believe that if the election had been two weeks later in the province of Ontario the result would have been even more disastrous than it was to the Liberal party.

The hon. member for Rouville, in the course of his remarks, made some allusions to the naval question. I am not going into that any further than to say that I hope the day is not far distant when—and I am not wishing any of the senators harm when I say that—we will have control of the Senate. I do not know that I can put it any more kindly than to say that I will be delighted to see the Conservative party get control of the Senate and that I do not wish any of the senators harm. But it is a matter of doubt whether the translation of some of them would be a loss to earth or a gain to heaven. This is a matter which only the future can solve and in the meantime I can only reiterate my own strong convictions upon this question. I think that the proposition made by the Conservative party to grant $35,000,000 for the maintenance of the supremacy of the British navy was one which appealed to the people from one end of Canada to the other. I am sorry that the grant was not made. I need not say any more, but if I am permitted I will close my remarks with a quotation from an utterance of one of the greatest Canadians that this country has ever produced. I refer to Sir George Etienne Cartier, who, in a speech delivered in 1869, made use of these words:

9 p.m.

> Canadian people desire to remain faithful to the old monarchical flag of Great Britain, that flag which waves over all seas, that flag which tyranny has never been able to overcome, that flag which symbolizes true liberty.
>
> Canadians know that if they wish to become really great they have only to continue their union with the mother country, so as to share in her power, her prestige and her glory.

These words express my sentiments and those of the great majority of the Canadian people far more eloquently and completely than anything I could myself say. I thank you, Mr. Speaker, and the House for the very patient hearing which you have given me.

Mr. E. B. DEVLIN (Wright) Mr. Speaker, it is not often that I rise to take part in the Budget debate, but, representing a constituency in which the agricultural and labouring interests largely predominate, I deem it my duty to make a few remarks, which remarks, I hope, will reach the ear of the Government. To-night, Sir, I would very much like to see the right hon. the Prime Minister (Mr. Borden) in his seat, because I would like to have a heart to heart talk with him, but in his absence I am going to ask the hon. gentlemen who represent the Cabinet to see if something cannot be done to meet the present commercial stagnation or depression in this country. I am not going to follow in the line of the previous speaker. The hon. member for Frontenac (Mr. Edwards) finished his remarks by dealing with the election returns of 1911. He and his friends opposite take a certain amount of credit out of the fact that the Conservative party did win the election of 1911. I admit that. It is not in contention in this

House. Hon. gentlemen opposite did win the election of 1911 and promised during that election to do certain things which they have failed to do, and which I hope, before the end of my remarks, to call to their attention. They won the election through certain combinations in the province of Ontario and in the province of Quebec.

In Quebec they won the election through a friendly alliance between the Conservative party and the Nationalists. Will they have the same alliance at the next election?

An hon. MEMBER: Time will tell.

Mr. DEVLIN: Time will tell—there is no doubt of it; but the Nationalist members of the House who went before the electors of the province of Quebec with a certain programme and who will go back before them at the next election will find that time will tell how that alliance has worked out between the Conservative and the Liberal party.

Mr. SMITH: Chateauguay.

Mr. DEVLIN: You won Chateauguay—you won it with whisky and money. I know something about Chateauguay. I was in Chateauguay during that election, and I believe that a tale will be told before the courts that will not redound to the honour or the dignity of the Conservative party.

A more inapt, a more hopelessly helpless Government than that now in power I do not think this country has ever seen. In listening to the speeches delivered during the last few days, one would imagine that the Conservative party had absolutely nothing to their credit except the memory of the work of Sir John A. Macdonald upon the tariff and the building of the Canadian Pacific railway. My hon. friend (Mr. Edwards) dwelt, as did the hon. member for North Essex (Mr. Wilcox), at some length upon speeches delivered in this House in 1876. Do they believe that it would be an answer to the people of this country, who are clamouring against the high cost of living, to tell them what the men who in 1876 had seats in this House have said about protection, reciprocity, or free trade? The first one to speak about the policy of Sir John A. Macdonald was the hon. Minister of Finance. Here are his words:

> Before taking these up in detail I desire to affirm the adherence of the Government to a fiscal policy of reasonable protection to Canadian industries including of course the great basic industry of agriculture. That policy is the historic National Policy of Sir John Macdonald, inaugurated by him and continued by his successors in office down to the present time.

That was not the policy of Sir John A. Macdonald. The policy of the present Government is the policy of the manufacturers. To bear out my words, I want to allude to the speech delivered in Halifax by Mr. Robert S. Gourlay president of the Canadian Manufacturers' Association, on the 7th of September, 1913. Speaking upon the tariff, he used the following language:

> Our tariff has undergone very little change since we met a year ago. A few inequalities were corrected by legislation in the regular way, but their application was limited to specific lines with no resulting disturbance to business in general. This has been in keeping with the policy of tariff stability for which our association has so consistently stood and to that extent the policy of the Government as thus far manifested has our sympathy and support.

Mr. Gourlay goes on to say:

> The woollen schedule is not what it should be; otherwise an industry that should be indigenous in an agricultural country like Canada would not have languished as it has. Neither is the iron and steel schedule satisfactory. As at present constituted, it is to some extent encouraging the establishment and expansion of what might be called secondary industries.

When I say that the policy of the present Government is the policy of the manufacturers, I am quoting exactly the words contained in the address of the president of the Canadian Manufacturers' Association. What was the policy of Sir John A. Macdonald? It was not by any means the policy of high protection. I will refer to the life of Sir John A. Macdonald by George R. Parkin, an authority which will not be disputed by hon. gentlemen opposite. At page 219 of The Makers of Canada, here is what I find:

> Macdonald did not place himself at the head of the movement without careful study of the Canadian situation, nor until he was convinced that the time was ripe for change. Some of his supporters were impatient with his deliberation. 'Sir John was timid unto death of protection, had to be bullied into it; led into it; committed to it by others. But when he thought it grown, he used it as a bridge to reach the power he liked to wield,' wrote in after years one of his parliamentary followers.

At page 223, I find the following, citation from Sir John Macdonald's own words:

> The question of the day is that of the protection of our farmers from the unfair competition of foreign producers, and the protection of our manufacturers. I am in favour of reciprocal free trade if it can be obtained, but so

long as the policy of the United States closes the markets to our products, we should have a policy of our own as well, and consult only our own interests. That subject wisely and vigorously dealt with, you will see confidence restored, the present depression dispelled, and the country prosperous and contented.

Then the author says:

While Macdonald and his followers were advocating what was at least a specious remedy for the industrial depression, the Liberals had no alternative to offer save the recommendation to the electorate to practise thrift and to wait for the swing of the economic pendulum.

Listening to the words of the hon. Minister of Finance, when he delivered his Budget Speech, you will note, Mr. Speaker, that he said, 'We will wait; better times are coming.' Sir John A. Macdonald, when he inaugurated his national policy, did so to meet the circumstances of the time. Again, the same historian tells us:

It should be noted that to the extreme protectionists of his party, Sir John A. Macdonald steadily refused to commit himself. In June, 1878, he endeavoured to assuage the anxiety of the Maritime provinces by a telegram stating that he had 'never proposed an increase, but a readjustment of the tariff,' and his motion in the House of Commons earlier in the same year was drawn with characteristic skill.

You, Sir, no doubt were in the House at the time Sir John A. Macdonald presented his motion, and you remember that it ran as follows:

That this House is of opinion that the welfare of Canada requires the adoption of a national policy which, by a judicious readjustment of the tariff, will benefit and foster the agricultural, the mining, the manufacturing and other interests of the Dominion; . . . and, moving (as it ought to do) in the direction of reciprocity of tariff with our neighbours, as far as the varied interests of Canada may demand, will greatly tend to procure for this country, eventually, a reciprocity of trade.

If we are to believe the very letter of his motion, Sir John Macdonald never would have inaugurated a national policy if it were not a lever to obtain reciprocity with the United States of America. Let me quote a last passage from the same historian:

More than one breeze of popular opinion was caught by this resolution. It appealed at once to the deep-seated Canadian suspicion of the United States, and to the strong desire of the farmers for the American market. It was, in fact a blow at the enemy with the ostensible object of forcing him into a more friendly attitude. Equally important was its appeal to the rising national sentiment of the Dominion of which the National Policy was the crystallization.

It is apparent from the very wording of the motion presented by Sir John Macdonald to the House that reciprocity with the United States was what he sought; and what is sought to-day by the Conservative party of Canada is nothing more or less than reciprocity with the manufacturers of Canada, for their votes, for their influence, because we have on the one hand the wording of the motion of Sir John A. Macdonald, and on the other the words of the president of the Canadian Manufacturers' Association. I do not think I am putting it too harshly when I say that the masters of the Administration of the day are not the people of this country, not the farmers and labouring classes, but the manufacturers. And the moment the manufacturers say: 'Raise the duties,' this Government cannot resist, and so the duties are raised regardless of the farmers and labouring classes.

Now, having dealt with that part of ancient history so particularly referred to in this debate by hon. gentlemen opposite, I may be allowed to take up one other remark made by the hon. member for Frontenac. He said that since the Underwood Tariff had come into force the tendency of prices of commodities in the United States had been to increase. I find that he is not borne out by Bradstreet's. Bradstreet's for the 7th of March makes this reference to commodity prices:

Commodity prices have moved irregularly this week, storm interruption to wires and mails dulling trade early. Cereals have made a slight downward swing, wheat leading with a decline of 1½ to 2 cents, largely on good reports from the new crop and bearish reports from Europe, growing out of the large movement from the southeast offsetting reports of shortage in Argentina. Corn is off ¾ to 1 cent on slow cash demand, and oats sympathized to the extent of ½ cent.

And the issue of Bradstreet's for the 14th of March dealing with the index number says:

Bradstreet's price index number as of March 1 shows a slight decline from that of February 1, and marks the third consecutive decline from the level set on December 1, 1913.

In the issue for the 21st of March, we find:

Tariff changes, large crops and springlike weather alike find reflection in the notable declines shown in prices of sugar, butter and eggs this week. Lowered tariff duties, effective March 1, are a partial explanation of the sharp break to the lowest price ever known for refined sugar, but neither this cause nor the sharp competition between refiners, developing since the tariff reduction, would have sufficed to have broken raw sugar to 3.01 cents per pound and refined to 3.77 cents per pound, prices respectively ½ cent and 2-5 cent below a year ago, were it not for the fact that the world's sugar crop the past year was 700,000 tons, or 4 per cent larger than ever before.

And practically a similar condition of affairs exists in the following week, according to the same authority. So, I fail to see where the hon. gentleman has found the prices of commodities increasing since the establishment of the Underwood tariff.

The Minister of Finance, in his Budget speech, announced the surplus of $36,500,000. Up to that moment he had had us all in an aeroplane. He had brought us over to the Balkan states where, he assured us, there was unrest. Then he brought us to Mexico and told us that there was anarchy. In this unrest in the Balkan states and anarchy in Mexico he found the cause for his being obliged to pay a higher rate of interest on money borrowed for the Dominion of Canada; and in these same conditions he found one of the causes for the trade depression in this country. But when he directed his aeroplane back to the city of Ottawa he found that the officials of his department had been busy with their bookkeeping, and, while he was away borrowing money, they had made ready to show him that he had a surplus of $36,500,000. I think all that will be pretty hard for the farmers of this country to understand. In fact, I think it will make a cold shiver run down their backs when they find that they had $36,500,000 in Ottawa and yet our gay young Minister of Finance was jaunting abroad looking for money at high interest. When he goes out before the electors and tries to explain that to them, I think I know some farmers who will be too canny to fully appreciate where this surplus comes in.

Mr. WILLIAM SMITH: Just Grits; they are the only ones who will complain.

Mr. DEVLIN: I did not say they would complain; I said the canny farmers may not thoroughly appreciate just where this surplus comes in. However, they are not the only ones. Those of us who have been in this House for the last few years remember that the present Minister of Trade and Commerce (Mr. Foster) used to speak upon the subject of surpluses. If there ever was a man to whom I loved to listen criticising a Budget speech, it was the Minister of Trade and Commerce. I often read his speeches, because there is so much in them. Here is what he said in the session of 1906-7, as reported at page 405 of 'Hansard' of that year:

> The Minister of Finance has a good time with himself almost every time he makes a budget speech about his surplus. Seventy-seven millions it is now, and every year he adds a little more, and he says, just look at my surplus. And everybody on the Government benches looks at it and admires it and applauds it and says it is good to look upon, even though they cannot have it. Well, it is new doctrine for the Liberal party.

Then he goes on, speaking of the Conservatives:

> They had surpluses as well, but they were modest ones. When they went up to two millions, it was supposed that that was about the limit; and if by any means they happened to go up to four millions, care was taken pretty soon, by the reduction of the taxation or otherwise, that the surplus should not be inordinate. Why, it is the easiest thing in the world to make a surplus. The Minister of Finance and his colleagues can make it even larger than it is if they wish. All they have to do is to take out more taxation—to add on to the taxation million by million, and the more they take out of the people of Canada in taxation, the larger their surplus will become. But is it really economical? Is it really for the peace of mind of the minister himself and the Government? It is well to have a care that the country's finances will always come out on the right side, in order to keep its credit good; but it is uneconomical and dangerous for a government or a party to attempt to have a big surplus every year, because it means an extraction of unwarranted sums from the pockets of the people and from the working capital of the country, and it is an invitation to extravagance which cannot be resisted by most governments, and which certainly has not been resisted by the Government at present in power.

You and I, Mr. Speaker, were in the House in 1906 and 1907, and we heard the ex-Minister of Finance make his speech in answer to the Budget. You remember those words; you remember as well as I do how he pounded his desk and appealed to the Liberal Government of the day not to have a surplus because it meant taking more taxes out of the pockets of the people. The hon. Minister of Trade and Commerce was in his seat during the last few days; he heard the Budget speech; he heard the surplus referred to. Any hon. gentleman on this side of the House who happened to look at the hon. Minister of Trade and Commerce at that moment would have noticed that there was not a smile on his face, while other hon. gentlemen opposite were applauding the Minister of Finance for boasting a surplus of $36,500,000, the hon. Minister of Trade and Commerce sat as dumb as an oyster. Yet the hon. member for Frontenac says that only the Grit organs will object to surpluses. Why, one of his leaders, the Minister of Trade and Commerce, does not believe in these surpluses. Let me tell the House that not all the Conservative organs of the country believe that the Minister of Finance has a surplus. On April 8, 1914, the Ottawa

Citizen, a good Conservative organ, said editorially:

> To describe as a surplus the $36,500,000 which the taxpayers of Canada paid last year into the federal exchequer in excess of ordinary expenditure requirements, and to do so without indicating that he was speaking in a Pickwickian sense, was not the least achievement of the Finance Minister in the Budget speech.

Let us find out something about where this surplus came in. Referring to the financial returns of the Government, I find that in 1911 the net debt of Canada amounted to $340,042,052.03, upon which the Government was paying $12,535,850.81 interest. In 1913, according to the present minister, that debt had been reduced to the sum of $314,301,625.68, and the country was paying $12,605,882.48 interest. In other words, upon a debt $25,740,426 less, the country was paying $70,031.67 more interest. In 1896 the debt per head of population was $50.82; in 1908, 12 years afterwards, under Liberal Government, it was reduced to $40.50. In 1913-14, with a greater population, greater revenues and a smaller debt, according to hon. gentlemen opposite, it has been increased to about $46 or $48 per head. That is a system of bookkeeping with which I am not at all familiar. The increase in the total expenditure during the past fiscal year has been nearly $40,000,000, or some $56 per head of population, and the decrease in revenue has been approximately $6,000,000. It is still falling, but the apportionments for the present fiscal year indicate a still further increase in the expenditure over the $183,500,000 spent for the year just ended. During the past year the national debt has increased by nearly $20,000,000. Last year the increase in consolidated fund expenditure was $14,500,000. For the first two complete fiscal years of the present Administration the increase in the ordinary expenses of the Government totalled over $28,000,000, or nearly $4 for every man, woman and child in Canada. In the last complete fiscal year of the Laurier Government the total expenditure on consolidated fund account was $87,774,198. For the second complete fiscal year of the present Administration the total expenditure on consolidated fund account was $126,500,000. For the last complete fiscal year of the late Government the total expenditure on both consolidated fund and capital account was $122,861,250. For the second complete fiscal year of the present Government this amount was increased to $183,500,000. In the three years the consolidated fund expenditure has been increased by nearly $39,000,000, while the total expenditure has been increased by $60,639,000—and the increased expenditure has all to come out of the pockets of the people of this country. With that statement before the House and before the country, how the minister can get up and say that he really has in the treasury of this country a surplus of $36,000,000 is, to say the least, marvellous. If I were to borrow the language of Shakespeare, Mr. Speaker, I think I would be inclined to use these words in connection with the attitude of the Minister of Finance:

> He swore her fair and thought her bright
> While she was black as hell and dark as night.

I think that sums up pretty well the financial attitude of hon. gentlemen opposite. Where is our money going? That is the next question the people will ask. The militia Estimates alone for 1914-15 amount to $10,867,000, and we have yet the Supplementary Estimates for the coming year. Mark you, I am not including in this amount the summer trips to Switzerland of the hon. Minister of Militia, nor am I including, as he is not in his seat at the present moment, his winter trips with his colonels to the hot springs of Virginia. That is just one item. Some of the money is going to pay agents and steamship companies to bring artisans over to Canada to compete with our artisans. A great deal of it is going over to England to bring English immigrants to this country—and I hope that the best immigrants will come over.

But a great deal is going to bring the people who are to be found around Stepney Green and Pigeon Market—those who are familiar with the city of London will know what locality that is in—over here, to be a charge upon the people and the taxpayers of this country. I do not want to be misunderstood. I say a great deal of it is going over to England to bring a good class of immigrants, and we are getting a very good class of immigrants from England, and also from Ireland and Scotland. But we are also getting some mighty poor immigrants from England, and from Ireland and from Scotland. But if we are getting some poor immigrants from the British Isles, we are getting worse from eastern Europe. I wish to protest as strongly as I am able, in the name of the labouring classes of Canada against the labour market of this country being overcrowded by the bringing in of

labourers without the Government knowing where they are going to place them. I have not the figures under my hand, but I think that last year 122,000 labourers were brought into this country. What have they done during the winter? Would it not have been bettter to leave them in their own country where they would have been taken care of by their friends? They are brought into this country to compete with Canadian labourers and are brought here under misrepresentations. This is a good country for Canadians; it is a good country for any man to come to who has capital to invest; it is a good country to come to for any man who has steady employment before him. But to bring immigrants into this country, without any money, without any prospect of employment when they get here, I say it is a crime on the part of the Government to spend the money of this country in encouraging such immigration. That is one way that the money of the people of this country is going. To substantiate my statements upon this point, it is sufficient to look at any number of the Labour Gazettte, a publication of this present Government, to see that thousands of labourers in the larger cities of this country have nothing to do. I think it is about time for this to cease. A resolution was adopted by the Vancouver Trades and Labour Council and has been placed in my hands. I wish to read it to you:

Whereas—Continuous efforts are being made by transportation companies, emigration agencies and other societies to induce employers in Canada to import labour from outside the Dominion, and

Whereas—These companies and societies have received and are now receiving government guarantees and grants of public money, and

Whereas—The arrival of immigrants on these shores during a time of severe depression such as now exists not only intensifies the serious unemployment question, but tends to deteriorate the already too low standard of the workers' living, consequently retarding industrial and national progress, therefore be it

Resolved—That the federal and provincial governments of Canada discontinue assisting financially or otherwise such corporations and societies and further take steps to ensure that correct information be given to prospective inmigrants in their own homes, and be it further

Resolved—That copies of this resolution be sent to Premier Borden, the federal members of the House of Commons, and the press.

I subscribe to every word contained in this resolution, and I hope the Government will take some action.

Let me now say a word upon the question of the tariff. I said that this Government is led by the manufacturers. Why should they be led by the manufacturers anyway? Why should they always be catering to the manufacturers? I am not against the manufacturers; there are thousands of employees in the constituency which I represent employed by manufacturers. I suppose in the constituency I represent are some of the biggest factories in the Dominion of Canada, but I believe that while it may not always be pleasant to have to do so, it is the duty of representatives in this House, whether on the right or on the left, to tell the manufacturers when it is necessary that all the legislation on tariff matters ought not to be directed in their interest, but that the farmers and the laborers must get their fair share. In 1912-13 the exports of manufactures from this country amounted to $43,692,708. For the eleven months of 1913 they amounted to $51,204,162. There were 389,873 people employed in manufacturing and mechanical institutions out of a total of wage earners of 1,300,000. For the manufacturers the whole of the tariff of this country is made by the present Government. The agriculturist has no show under this Government. We have the farmers coming down from the West turned down by the Government, and I shall have a word to say of their demands in connection with free wheat. What are the farmers of this country doing? If the manufacturers are exporting forty-three and a half millions what are the farmers doing? In 1912-13 they exported goods to the value of $150,145,661 and for the eleven months of 1914 to the value of $191,707,483. So, in other words, they have exported three times as much as the manufacturers have ever done in this country. How many do they employ? 716,937 out of the total of 1,300,000 wage earners, and yet they have not a voice with the present Government. I have referred to industrial Canada and to the address of the president of the Manufacturers' Association, and his demand for increased duties upon iron and steel. The manufacturers got it: they got more, they got free coal for their smelting institutions. They are not exactly satisfied yet, because I find in the Free Press of this city, of April 7, 1914, that Mr. Rowley, who is an ex-president of the Manufacturers' Association, and president of the E. B. Eddy Company, gave his opinion. He says:

In the first place, Mr. Rowley thinks the farmers have already got too much and are going to get still more under the revisions.

Just imagine any hon. gentleman who has listened to the Budget speech of the Finance Minister and to the speeches of hon. gentlemen opposite upon the tariff, being told by

Mr. Rowley that the farmers of this country have already got too much and are going to get still more under the revision!

In the second place, Mr. Rowley believes the changes will bear too heavily on the paper industry.

Of course, the country knows that his is the paper industry.

The farmers get the best of everything They always have, and they are getting it in the present revision. I think (he said) that the Government acted wisely in not adopting free wheat. It would have been a great mistake to have allowed our grain and fodder to go to a foreign country. Our wheat is better than theirs anyway, and we should keep it.

Well, all right, I am in favour of that. Will he buy it? Will the manufacturers buy the wheat? We are told by the manufacturers that the farmers should keep their wheat. The Western farmer asks for a market for his wheat and we simply wish to give him free entry into the United States in order that he may get all the profit that is coming to him, but hon. gentlemen opposite want to take that profit away. The Ottawa Citizen, that good Conservative organ, which I have already referred to this evening, also spoke editorially on the tariff question on April 10, 1914, as follows:

According to the budget figures Canadian exports to the United States increased from $112,000,000 in 1911 to $161,000,000 in 1913-14. In the same period imports from the United States increased from $274,000,000 to $361,000,000. The aggregate trade between the countries was $387,000,000 in 1911, and in 1913 it reached $523,000,000. Canada is the second customer of the United States to-day.

If I heard anything from hon. gentlemen opposite in the election of 1911, it was that we should not trade with the Yankees, that we should trade within the empire, and yet under the present government I find that Canada is the second customer of the United States. I am sure that the loyalty of hon. gentlemen opposite and the loyalty of certain citizens of this country must be sorely affected when they hear that under the benign protection of the present Government Canada is the second customer of the United States. The Citizen continues:

These facts are interesting from a trade standpoint. But what becomes thereby of an argument frequently heard in the 1911 campaign, that increased trade with the United States eventually meant the annexation of Canada to that country?

When we find a newspaper like the Citizen beginning to doubt the political honesty of hon. gentlemen opposite, our friends opposite must not be surprised if we do not place any credence whatever in their arguments during the election of 1911. The Citizen says further:

If as Hon. Mr. White pointed out in his speech, this great aggregate increase in three years is a matter of congratulation, how much more a matter of congratulation would it be if the trade were even greater, as it would be by the abolition of the tariff on wheat, as asked by the western grain growers and the Manitoba legislature?

Here is a good Conservative organ asking for the abolition of the duty on wheat. Hearing Western representatives pointing out to this House the usefulness of abolishing the duty on wheat and hearing also Conservative organs saying that it would be a good thing, no wonder that I myself believe that it would be a good thing, and I will support any measure introduced in this House asking for the removal of the duty on wheat. The Citizen goes on:

'It is not advisable that a nation's tariff should be so arranged as to fit into the tariff policy of another nation,' said Mr. White. Then he advocates a surtax of 25 per cent ad valorem on the imports of countries which discriminate against Canada; in other words, the Finance Minister fits our tariff into the tariff of any other country, and automatically at that, which makes the first move. But, granting that Mr. White's dictum be accepted as a protective principle, it would seem to demolish one of the strong arguments of protectionists, that the advantage of a tariff lies in the fact that while providing a measure of defence it can be modified to meet the hostility or friendliness of another country's tariff, a condition which, protectionists assert, would not obtain in the case of a free trade country competing with tariff nations.

These self-contradictions are evident, but despite their presence, the claim is made that only by a tariff is our national prosperity assured.

I believe that if we had better transportation facilities in this country, including water facilities, we should have cheaper food and therefore I was somewhat interested yesterday in listening to the demands made by a very large delegation from all over Canada asking for the construction of the Georgian Bay canal. I was rather anxious to hear what answer would be given by the minister. When free wheat was asked for I had heard the Minister of Finance say to the farmers of the West: Wait until more railways are completed, and until the Welland canal is deepened. When I heard the people of Canada clamouring against the high cost of living I had heard the Minister of Finance say: Wait until the commission on the high cost of living reports. When I heard the commercial men

of this country complain that money was tight, I had heard the Minister of Finance say: Wait until anarchy ceases in Mexico. So I was somewhat anxious to hear what the Minister of Public Works would say to the delegation upon the Georgian Bay canal. And this is what I heard. The hon. minister in his nice polished manner first of all said: Wait till the Prime Minister comes back from the South and I will tell him all you say. Thinking that might not be a sufficient answer he went on: Wait until the commission which we have appointed reports on the commercial feasibility of the project. I am inclined to call the present Government to-night a waiting Government, but I will not call them an indolent Government. They travel enough but they make us wait a long time for information. We on this side of the House would like to see the Government do something, but they always say: Wait until this commission or that commission reports or until this or that happens. They undertook to build the Hudson's Bay railway and now they are waiting till the ice goes away from the Hudson Bay ports. We want to know, and as representatives of the people of Canada we have a right to know, what they are going to do to reduce the cost of living in this country. But what are we told? Wait till the commission reports. Nobody knows where that commission is. Do you know, Mr. Speaker, where the commission is? At one moment it is in the city of Quebec behind closed doors, and at another moment it is in some other part of the country. The commissioners are all, I believe, deputy ministers. I presume they are in offices now. If they are here why do they not make the report which they must have prepared? Just imagine a commission appointed and sent round the country to find out whether the cost of living in this country is high. We know the cost of living is high and we want the Government to remedy that condition. The farmers of the West are asking for the very same thing but they put their demand in a different way. They say: Our grain is congested, we want to have a fair chance with the manufacturers of this country and we will have a fair chance if you give us free wheat. The Government answers: Wait. No doubt they will be appointing a commission next to find out whether there is a duty upon wheat. I believe that there are two causes for the high cost of living in this country, and that one of them is the tariff. I am borne out in that belief by the manufacturers' own statement that the tariff is a contributing cause, although the manufacturers say it is not the whole cause. The other cause is to be found in the freight rates. The Government ought to grapple with the transportation problem. They ought to wait no longer, they ought not to shillyshally, but to go ahead at once and deal with that important issue. The people in 1911, when they elected these gentlemen to office, at least expected that they would be able to administer the finances of the country, but instead of administering the finances or the affairs of the country, they are handing them over to commissions.

Speaking for the farmers of Canada, I must say that I am not satisfied with what the Government have done in connection with agricultural implements. I do not believe that by a reduction of five per cent upon agricultural implements the Government are helping the farmers. What the Government should have done, and done at once in view of the fact that the taxes bear more heavily upon the farmers than upon any other class, was to give free agricultural implements. I will support any movement in favour of free agricultural implements.

Before I resume my seat, I want to offer to the House some suggestions which I think would be in the interest of the agriculturists and labourers of Canada, and I shall state them in a few words. I believe that the Government ought to establish more experimental farms and to offer bonuses by way of prizes for agricultural competitions. I believe that the Government ought to make agricultural colleges free, that they ought to give the books free, and that the sons of farmers who go to these colleges should receive instruction free; that in every sense these agricultural colleges ought to be free. I believe that the Government ought to assist farm labourers in this country as they assist farm labourers from other countries in migrating from one part of Canada to another. I believe they ought to offer the farmers of the East facilities to take up the lands of the West. They ought to give them financial assistance so that as far as possible we may be able to keep the land of the country amongst Canadians. I would advocate that a fund be set aside by the Government out of which farmers may borrow, say at two per cent, the Government to pay the balance of the interest and to provide a sinking fund, and that the money coming from that fund should be used for providing homes and outbuildings for the farmers.

10 p.m.

Speaking on behalf of the labourers of Canada, I would say that the Government should set aside annually a sum of money to assist in building labourers' modern cottages, the sum to set aside, to be loaned on the same conditions as I have just stated in connection with farmers' homes and outbuildings; that is that it shall be loaned at the rate of two per cent for a certain number of years, the Government to provide for the payment of the balance of the interest and sinking fund. I would say further that the Government ought to establish more employment bureaus throughout Canada, and see to it that before labourers are brought to this country the labourers already in the country have been provided with suitable employment.

I conclude my remarks by saying that instead of money being wasted upon useless drill sheds and armouries, instead of money being expended in bringing certain immigrants from foreign countries to our shores under false representations, instead of money being expended upon useless public works, as it is being expended at the present moment, the Government ought to provide that Canada shall always remain the home of the Canadian, that the one who shall receive the first protection from the Government shall be the Canadian. Therefore, I advocate this policy of aiding farmers in erecting and improving homes and outbuildings, and I advocate the policy of aiding labourers in building homes, as it is done in other countries. It is well known that the labouring classes can not go to the banks like other classes of society and borrow money to improve their homes because they have not the same security to offer to the banks and the banks will not advance them money as they will advance it to other people. If we have a surplus of $36,500,000, and if that surplus is growing every year, it becomes the bounden duty of the Government to see to it that the cost of living bear as lightly as possible upon the consumer, and it is the duty of the Government to see to the happiness, prosperity and welfare of the people in order to carry out the mission of the statesmen who have gone before the present ministers, looking to the upbuilding of Canada in conformity with her position as a member of the great family of nations. Instead of pursuing the policy of expending money upon warships, which are not required by Great Britain, and instead of a policy of lavish expenditure upon soldiers' uniforms, soldiers' clubs, drill halls and armouries, where we simply require sufficient protection, the Government should see to the welfare of every Canadian citizen.

Mr. J. H. BURNHAM (West Peterborough): Mr. Speaker, before referring to what seems to me to be the most important event about to develop in the twentieth century, I should like to make a few remarks in regard to the splendid financial showing of my hon. friend the Minister of Finance (Mr. White) in his Budget Speech, and in regard to his announcement of a substantial surplus. There can be no question that to be able to announce a surplus at the end of the year in the ordinary and well understood way of book-keeping, is an achievement worthy of consideration. If we juggle with the figures so as to confuse capital with income expenditure, we can bring out a deficit in any country in the world. That, however, has not been done here. It seems to me that fair treatment and praise ought to be accorded to the Minister of Finance for his eminently successful handling of the finances of this country. I also wish to compliment him on the firm front he has shown to the attempt recently made by a large railway corporation to make another assault upon the treasury of this country. I think the members of this House are of one mind that anything that is to be done shall be in the nature of salvage, not of coming to the rescue, however, of the men who launched this scheme, who boasted of it, and who manipulated it in every conceivable way to the detriment of the individual and ultimately of the nation itself. The people will not stand for such attacks, and we are thoroughly convinced that the Government has no intention of granting the demands of this corporation.

I also wish to compliment the hon. Minister of Finance on his judicious tempering of the home market. He realizes what protection is. Hon. gentlemen opposite in many cases either are not fair or do not understand the meaning of protection. Protection may in some cases mean free trade. Protection is control; it is doing that which, considering all the interests of the nation together, is best suited to the individual interest which we may be considering. If free wheat, considering the general interest of this country, is best for the farmers and the agricultural interests, let us give it to them; but it is highly improper and wrong to say that that is the proposition before this country. The proposition before this country is to give free wheat, free flour and free semolina, an en-

tirely different matter. The idea is to give free wheat, which they can have at any time, but at the same time to give them control of the manufacturing market; our flour market, and our semolina market. That is an entirely different proposition and ought to be so considered. Yet hon. gentlemen opposite are not fair enough to consider it in that way. Moreover, they ignore the fact, when they say that the western farmers want free wheat, that the western farmers are not the only farmers in this country. The farmers in my district do not demand free wheat. This question must be considered properly; and sending up this everlasting prayer for freedom, for free wheat, free food and free everything else, is not the way in which the affairs of this world are carried on. We are not living in any great earthly Sunday school; we are living in a place in which it takes us all our time to live and some of us do not know very well where we are going afterwards.

I will now endeavour to make a short reply to two of the gentlemen who have preceded me. They have attacked militarism, backed up by all the splendours of the idealistic principle of peace. Every one knows that, if you are simply going to take it for granted that there is peace the world over, you are going to wake up a badly mistaken man; you will have your pockets rifled if no worse fate befalls you. It is not on the principle of peace that we have our police and other systems of protection. The most preposterous thing of all is that a party which proposes to spend an absolutely colossal sum on a navy, is growling about a few millions expended for militia purposes. If the Liberal plan of a navy is carried out, then I say: Heaven help Canada. I grant the militia expenditure is bad enough, but it is a mere bagatelle in comparison with what the Liberal party say they will do. Surely we are entitled to have a little consistency from these hon. gentlemen; we do not ask for much.

As to depression, the hon. gentlemen opposite point the finger of scorn at Canada and particularly at the Conservative party, charging us with being responsible for this depression. The hon. member for Rouville (Mr. Lemieux) was candid enough to say that the depression was world-wide. Surely that is a sufficient answer unless it can be proved that the depression of Canada is extraordinary. How that can be proved in the face of expanding trade and a surplus of $36,000,000 passes my understanding.

Hon. gentlemen opposite speak about the agriculturists, but absolutely ignore all the patent facts arising from day to day. Do not we know that some of the products of the farm are coming from New Zealand and Australia by the shipload? If hon. gentlemen opposite do not know that fact, I can tell them that there are forming in this country to-day companies of Canadians who are shifting their basis of production, of manufacture, to the agency business and are actually preparing to receive large cargoes of farm produce from the Antipodes. One gentleman told me the other day that he had received a wire from Vancouver of the arrival of a large shipment of butter from New Zealand, and that simultaneously the price of butter in Montreal and Toronto had fallen two cents a pound. Is that what hon. gentlemen opposite wish to offer the farmer of this country? If you want to make the price of food cheaper, that is the way to do it; but we want to protect the farmer and therefore we say: Keep on the duty. We want to build up Canada; we do not wish to build up the Antipodes, and therefore we say: Give us the power to do it. The absurdity that frequently arises is the incidence of taxation not the fact of protection. All that hon. gentlemen opposite have to do is to apply the simple geometric principle that, if you add the same thing to the same thing as a constant, the result must be practically and theoretically the same; that is to say, if we add fifty per cent protection to all interests and matters of production in this country, then each in relation to the other will be exactly in the same position as before, yet we shall have all the advantage of protection against other nations. That shows how easy it is to do these things which hon. gentlemen opposite say they do not understand. They point to the inequalities, to the improprieties which exist as if they were the principle, but a simple illustration shows how easy it is to establish the principle. That surely is a vindication of the principle, and I am bold enough to challenge anybody to deny it. It is a simple principle, and certainly cannot be gainsaid. The hon. member for Wright touched upon the alliance with the Nationalists in Quebec. Judging by the votes in this House, the Nationalists are not allied with us; they have voted consistently with the Liberal party here. I do not understand Nationalism myself, but if the Nationalists are people with whom

an alliance should not be made, why do these hon. gentlemen accept that alliance? And they do more than accept it, they profit by it. One strange error was made by the hon. member when he said that the farmers of this country were handicapped in not having the proper or usual securities of others allowed to them upon which to borrow. That is the very thing that was provided for last session in the Bank Act.

Mr. DEVLIN: I did not say that. I was speaking of the labouring classes.

Mr. BURNHAM: Did not the hon. gentleman mention farmers' security ?

Mr. DEVLIN: If I did, it was a slip.

Mr. BURNHAM: Then we agree that it is taken for granted that the farmer has the same facilities as others, and I am satisfied. I will now branch out on at least an equally important part of this great subject, and that is the rise of the new eastern question. We are well aware—to go back for a moment to first principles—that great movements develop slowly but they actually rise very quickly, and it is a wise people who watch and are ready 'to take occasion by the hand' in connection with these movements. It is not necessary to go into this subject very deeply from the earliest up to the present time. But we may perhaps refer to the fact that it was the carelessness of the rich Babylonians that precipitated their overthrow. It was the carelessness of the Assyrians, in turn, which put them into the hands of the Medes and Persians. It was the luxury and carelessness and self-complacency of the Medes and Persians that put them into the hands of Alexander the Great. Through the same cause the Shepherd Kings in the early times were enabled to overcome Egypt and overcome its great civilization. The wreck of that great nation, that most ancient nation, was all that remained of it to adorn Grecian civilization. In the course of time that great nation, the Greek, was overthrown by the Romans. Then came the day of fate for the Romans, when the barbarians—our own ancestors, and particularly the ancestors of the Opposition—overthrew the Romans. And now we have to watch lest a still greater horde overthrow our civilization. You are well aware, Mr. Speaker, that there has been a great awakening in the East, and that great awakening has been due particularly to two things—the importation and assimilation of western ideas involving the change from monarchy to republicanism in China, and the importation of western capital. When did it begin? It began the very moment that the tariff in the United States was sufficiently lowered. Then, of course, it became an easy matter and a great inducement to capture this tremendous American market. And the American capitalist, and the American engineer in his employ, went to China, looked over the land and saw how well it was equipped, with plenty of cheap labour, with plenty of natural resources for them to take advantage of the accumulated wealth and prosperity of the United States, which necessarily will ultimately bring about the absolute breakdown of American labour and American civilization. There is no possible way out of it. The highest paid artisan in China gets 30 cents a day; the ordinary labourer gets 5 cents a day. The Chinese are learning by various means the arts of the western workman, and it will be a long, long time before his ambition or necessities compel him to ask what the western workman gets, namely, all the way from $2 to $5 per day. We find that China contains everything necessary for great economic development. She has coal and iron of the very best quality; she is capable of producing vast quantities of agricultural products; she also has an enormous population. And, since they have a religion which requires them to worship their ancestors, it is necessary for them always to provide the ancestors. As a consequence there are no bachelors and no old maids in China. They must all get married, and they must all have chidren,—and they do. So that source of supply is well provided for. In looking over the China Year-Book, I find that every province of China has plenty of coal and iron of such condition and in such position that it is easily got at and easily worked. In one steel works alone 20,000 men are employed. They also have plenty of copper, lead, antimony, gypsum, gold, and in fact all economic minerals required in manufacturing. And they have a large number of factories. Of cotton spinning and weaving mills they have no less than forty-one; they have also chemical works, cement and brick works, furniture factories, glass works, iron and steel works, leather works, mining companies, oil mills, paper mills, printing works, railway works, rope factories, sawmills, silk mills, smelting works, soap and candle factories, tea factories and sugar refineries. They are well on the way, you

see, to become a great manufacturing nation. All that was necessary was western capital and western management, and these are being given with a lavish hand at the present time. The increase in the export of native Chinese goods to foreign countries has increased wonderfully. For instance in the export of animals, including cattle, sheep, goats, pigs, horses, mules and poultry, the increase has been extremely rapid within a few years. Cotton, especially raw cotton has been exported in vast quantities; it is soon to become a factor in the world. We find that they are also exporting wheat flour, furniture, glassware and matting. Their export of matting, with the low tariff we have and the cheap labour they have, has broken up our matting factories—I happen to have a knowledge of that. One thing is evident about the opposition in this matter, and it is this: When they cry free trade, they do not mean it. I have been amazed to hear hon. gentlemen talk free trade and then get up, one after the other, and say they are for protection. Are we not entitled to some consistency and fair-dealing in this matter? I think we are. There is no use coming here if it is merely for the purpose of engaging in a battle of wits, in contradictions and in inconsistencies. Let us be reasonable in this matter, and we may get away from here before the 1st of July.

The Chinese have shown themselves to be expert financiers, easily adapting themselves to complicated situations, and their budget is a fine type of skill and correct book-keeping. Their shipping is not what it ought to be, but they are shortly to begin the construction of ships. They have the men, they have the skill, they have the ambition, and they will very soon have the ships. When they have the ships and the manufactures, the cattle and the sheep and the poultry and the eggs and all the rest of it, they then will be able to ship them over here at low rates. This world would be all right as a free trade world if the people and various civilizations were all equal, but they are not. Distinctions must be made; those distinctions must be preserved, and they can only be preserved by control. Free circulation of commodities and of capital cannot possibly be permitted if the conditions which naturally follow in their train are to be so vastly different in different communities.

A very singular and instructive thing in connection with the lowering of the tariff in the United States is the fact that Cuba and Chili have suddenly sprung into prominence as sources of supply for iron ore. In Chile there is an immense mountain of iron ore, said to be wondrously rich. They can run the ore by means of a wire rope from that mountain to the ships in the harbour, and the ships convey it round to the American steel works in the United States, which are built near the water's edge. Thus the Chilian people supply iron ore to the Americans, with the result that Chilian prosperity is rapidly rising. I am sure that we wish no harm to Chile, but we do not wish it to expand at the expense of the American people, and certainly not at the expense of our own people. The same thing happened in Cuba. There a great supply of iron ore has been discovered, and, just like the Chilian ores, it has driven back all the western or Lake Superior ores—driven them almost out of the market. The American steel manufacturer wants cheaper ore; the American machinist wants cheaper machinery; the American consumer wants cheaper product, and the labourer has to suffer as a consequence. Capital can go anywhere. Capital wants cheap food, cheap ore, cheap raw material, as soon as it attains an export basis. The manufacturer in the United States has ceased to care about local labour; he is quite willing to let in cheap labour and the products of cheap labour from abroad, to the detriment and ruin of his own people, so long as he himself makes plenty of money. That is the peculiarity of free trade; the rich become richer under free trade, and the poor poorer. The capitalist does not want protection; what he wants is that the whole world should be in competition, each community with the other, and that the people of all nations should come and beg him to partake of their labour. The minute you have free trade in labour, and the minute you have free trade in labour's products, the capitalist can go where the vantage ground is best—in Canada, China, or Africa, or wherever it may be—while poor Chinese or East Indians are doing his work. In the meantime, Coxie's army is marching upon Washington, and the Liberal Opposition here are crying out about stagnation in Canada. These are the facts, and it is necessary for us to look at them carefully, because our doom is impending if we do not rise to the occasion.

India also is very rapidly developing in this particular. India has large steel works, and we find that she is shipping manufactured steel and pig iron to San Francisco, in face of the $2.50 per ton duty—and, of course, when that duty was

wiped off, they made just that much more profit. These products have been shipped in immense and rapidly-increasing quantities; that is just what is happening at the present moment, and that is what will happen. It will not be long before the American people realize that it is better to be a Mexican or a Hindu or a Chinaman than an American, because if you are a Hindu or a Chinaman you will get work from American capital, whereas if you are an American citizen you will not. Either capital must be harnessed, or labour must be protected.

I was glad to hear the hon. member for Wright speaking about immigration as he did. Like all things, immigration should be tempered; it should be kept within bounds—that is protection. The hon. gentleman voiced a loud wail against protection one minute, and demanded it the next. He demanded protection against the labourer and the workingman—that is what he did; and that is nothing more or less than pure protection. It is another of those glaring inconsistencies which are so prevalent in hon. gentlemen of the Opposition, but I shall not say anything about these inconsistencies so long as they come home to those who are concerned with them. I shall not object as long as these gentlemen find out the truth in the end; sometimes they only find it out at election time, but so long as they find it out, I am content.

As I endeavoured to point out, capital does not require protection, neither does the consumer want protection. The consumer as consumer wants the cheapest possible food and raiment, but the two classes that must have protection are labour and agriculture. Because if agriculture is not protected as we have seen, then it, too, must go the way of all flesh and has in addition to cheap labour to struggle against inequalities of climate. We have Gorgas the man who enabled them to build the Panama canal, the greatest sanitary engineer of this or any other age, who has been sent for abroad, who, after making the death rate in Panama and the canal zone less than that of New York, city, has gone to Africa and discovered the causes of plague there. He says he can make Africa as pleasant and healthful to live in as any person would desire, and, as he says, the return in the tropics for toil is four times that to men in the temperate zones, all you need to do is to rescue the tropics from the curse of bad sanitation and you have their cheap products thrown on the market too. The occupants of the temperate zones must either go then into the torrid zone or suffer the consequences.

It may be just as well at this juncture to cite what the editor of the Toronto Globe said at Providence, Rhode Island, on March 27:

> There can be no 'yellow peril' on the Pacific coast threatening one English-speaking interest alone, said Dr. J. A. Macdonald, of Toronto, and a member of the world's Peace Foundation, addressing the New England Manufacturing Jewellers and Silversmiths Association last night.
>
> The scaremongers tell us, Dr. Macdonald said, that a struggle is coming. They say it will be on the Pacific. But if it comes it will be one struggle all the way from San Diego and the Mexican frontier to the snow fastnesses of the Yukon.

He has evidently thought the question fully over and knows what he is speaking of. I would commend his remarks to hon. gentlemen opposite.

In order to make my case as strong as possible, it will be necessary for me, especially as this question has not been introduced in the House before, so far as I am aware, to quote some passages from recent works of prominent and credible men. I quote from an article in Public Opinion, an English magazine that has existed for more than fifty years, and, as every magazine reader knows, ranks with the Nation, the Athenaeum and the Academy:

> Mr. Eddy's opening chapter fills out the glowing picture of 'The Renaissance of Asia.' A more astonishing set of facts surely are not to be found in any other thirty-nine pages of type. They show the ceaseless work of the roaring looms of time.
>
> During seven months of 1912-13, in a journey across Asia, including India, Burma, Ceylon, the Straits Settlements, China, Korea, and Japan, the writer has been impressed with a great awakening that is sweeping over the whole of that vast continent of Asia. The same principles that created our Western civilization are at work to-day in the ancient East, bringing about the same great transformations there that they wrought in the West. So vast and widespread is this awakening that it might well be called 'The Renaissance of Asia.' And yet it is more than this; it is an intellectual renaissance, a religious reformation, and a nineteenth century of scientific and industrial development all combined. Greater in volume, in depth, and in power than the Renaissance in Europe four centuries ago, it may prove to be even greater in significance also. The population in the fifteenth century was less than one hundred millions, while that of Asia to-day is over nine hundred millions. Greater in rapidity than the awakening in the West, this combined renaissance and reformation is crowding into decades in Asia what was the slow growth of centuries in Europe.

Further, he says:

The economic awakening of Asia is as clearly marked as the political and intellectual. During the latter half of the nineteenth century the trade of India increased fourfold and that of China sixfold, while that of Japan has increased sevenfold in twenty years. But the twentieth century will see far greater developments in the East than in the nineteenth.

The chimneys of the great factories of Osaka and Calcutta rower like those of Birmingham. We travelled round the world on Japanese steamship lines, comfortable, highly efficient, and paying dividends, while some of the American lines on the Pacific can scarcely pay expenses.'

China has the greatest coalfields in the world. Shansi province has enough to supply it for a thousand years. American steel magnates say they cannot compete with Chinese iron on the Pacific coast.

I shall further call attention to a remarkable publication headed 'Shall the White Races Dominate the World' by Major Stewart L. Murray. Of this Public Opinion says:

Major Stewart L. Murray calls upon the Anglo-Saxons of the British Empire and the white men of Europe and the United States to stand together so that they may hold dominion in the world.

Major Murray writes in the Nineteenth Century, and his article is extremely lucid and interesting, and many will agree with his arguments and aims who do not accept his God's-white-man point of view.

He calls for 'an Anglo-Saxon policy' because there are 'causes at work to-day which, if adequate counter-precautions are not taken by us, may in the fullness of time result in the expulsion of our race from Australia, New Zeland, and Africa, where we are least firmly established.'

In the event of a great European war he sees 'Europe, including Great Britain, helpless and impotent as regards the Pacific. Then will come the opportunity of the Japanese, with the Chinese behind them.' 'Africa is beginning to stir; Asia is beginning to arm.'

If we can only hold the Anglo-Saxon lands for the next fifty years all may end well,' says Major Murray; 'the Yellow Danger, at least in its acute and menacing phase, may pass away and be succeeded by some working agreement.

And let us note what Napoleon said:

Napoleon at St. Helena foretold that 'the force of circumstances' would eventually drive the European powers into some form of union.

These statements are given great prominence in the English press, and it is not for us, who have already received our warning in a more practical way to ignore them. We have already had to take measures on the Pacific coast to prevent an undue influx of the Orientals. It has given rise to a great deal of trouble and heart-burning, but they are only the skirmishers, they are only the outposts of 900,000,000 of people of which 150,000,000 are working-men, who

are only too eager and too willing to get an opportunity to trade which would enable them to compete with us and to put us out of sight in the great world competition. Then we would know what stagnation meant; then we would know that our working-men who must draw from $2 to $4 to make a decent living, would have to become as Chinese and Orientals or suffer the consequences. We see how the Chinese who are here work. They all live togther in their laundries in a way that we do not consider proper for white people to live, but that does not seem to attract our attention particularly. We do not seem to observe that these men are in direct competition with our own. They are very successful, they have cornered the laundry market, although they charge high prices. The simple reason is that their cheap living enables them to have a margin of profit that prevents white competition. Would any hon. member in this House dare to say that he believes in the free admission of the Oriental or of the products of Oriental labour? Any one who would dare to say that would not be a member of this House after the next election. It is too absurd, it is too plain, it is something that he who runs may read and understand. To temper it is protection; and these gentlemen will employ protection, still howling for free trade, something which the hon. member for Rouville frankly said was a mere fanciful dream—and that is all it is.

I also have something here from the Free Press of Winnipeg, in which the manager of the Ogilvie Milling Company says:

As soon as there is a fair market for high grades, the milling will be done in Japan and China where it can be done cheaper than in Canada or the United States.

The next thing the Ogilvie Milling capitalists will do will be to go to China or India or perhaps to Africa, to employ cheap labour there and then ship the goods back here. There is nothing to prevent it.

It is interesting to note the immigration to the United States of America since 1825. From Austria-Hungary about 3,000,000; Germany about five and a half million; American countries other than the United States, one and a half million; Russia, one and a quarter million; Ireland, nearly 5,000,000; and Canada 1,100,000, mostly French; from England a little over 3,000,000. You see, Mr. Speaker, there has been a vast immigration from those countries, and as pointed out by the hon. member for

Frontenac (Mr. Edwards) a very great immigration from free trade England. Immigration such as that indicates two things, first of all that it is necessary to leave that country to get work, and, secondly, it makes better conditions for those left behind.

I wish to turn for a moment to what I regard as of almost equal importance, what seems to me the foundation of all economic life—I refer to the minimum wage. The whole case of labour unrest is based upon that. The great bulk of labour unrest is absolutely genuine and is caused by the fact that labour has aspired to a higher civilization than labour is able to maintain. Those people who are not prepared to assist labour in maintaining that civilization condemn it to degeneration and to a degradation to which labour will never submit. A standard of life is something that is possible. It is something that can be guaranteed and as long as there is some point to start from variations can be made. The point that is started from at the present day is the reward of capital. If capital is well rewarded it will continue to employ; if it is not, it will cease to employ and labour will consequently suffer. But if the basis of all calculations was the minimum wage that labour can exist upon and develop the civilization of which we were speaking, there would be no further difficulty. The cost of living would be higher, but the ratio would be the same. Whatever else happens there must be a living wage—I emphasize the words 'living wage.' The testimony given before the Old Age Pension Committee, the testimony on this subject before every committee held here or anywhere else, goes to show that there must be a falling off in the standard of life if labour is to be able to live. I am not speaking of well-paid labour; I am speaking of that very large proportion of underpaid labour. A living wage makes no difference to the employer because if he has to pay so much more to labour he can charge so much more, but it makes all the difference in the world to labour, and when a thing can be so easily done—I am sure you will find that this proposition is economically and scientifically sound—why is it not done? Why is it that charges and counter-charges are hurled across the floor of this House which if true show that both sides have plundered this country of millions and millions of dollars. I hope that it is not true, but the gentlemen on this side have said it about the gentlemen there, and the gentlemen there have said it about the gentlemen on this side, either they have all actually plundered the country or the people who made the charges have said what is not true. You can take your choice. It is a very painful alternative. If one half of it is true, labour, agricultural and industrial, could have been endowed and be living in comfort. We have been sustaining more or less a lot of tramps, not necessarily in rags but tramps in fine clothes, and it has got to be stopped. Common sense must be infused into the conduct of the industrial, agricultural and economic affairs of this country. This frightful waste must be stopped. Is it not a remarkable thing that in one day of the week labour could produce all that is required for the maintenance of all the people of this world in comfort, if it were not that people are so greedy and so desirous of laying up wealth in the form of capital for their own aggrandisement and luxury and enjoyment that they will not hand it out because it would lower the market. Yet it is a fact that one day's labour a week would provide all the people of this world with a comfortable living. There must be a screw loose somewhere, when we consider that men have to work long hours every day of the week. I am sorry the hon. member for Red Deer (Mr. M. Clark) is not here to-night. He might believe me when I say that the public reports show what I am unable to believe, namely that 576,000 children under 14 years of age have to work in England for their living, and some of them are no older than three. England has been able to compete in the world's market because when a mechanic or an artisan gets married there his wife goes to the factory and helps him to earn a living and if they have children they also go out and bring in money when they are old enough. In Canada the man is supposed to provide for the home, the wife does the work of the home and is supposed to maintain herself in comfort and perhaps some dignity and her children. She is not supposed to be a domestic and industrial slave. We do not want that kind of thing in this country. Nowhere in the world ought there to be such a high standard of life as in Canada to-day and we must see that it is not lowered by competition from anywhere. Mr. Lloyd-George—I am sure his authority will not be impeached,—has written the preface for the forthcoming volume of Professor Ernst Sieper's series of monographs dealing with the whole range of the culture of England to-day.

Professor Sieper, who occupies the chair of English Philology at the University of Munich, has, in his work of familiarizing

Germany with English conditions and achievements, the support of the German-English Friendship Committee, and this particular volume of the series he edits deals with the new social reforms that have been brought into force in England.

What does Mr. Lloyd George say? He says:

> Not too late, perhaps, but certainly not too soon, we are beginning to apply sound commercial principles to national life and enterprise.

He says there must be higher wages for a vast body of men. He goes on:

> But there was also the national aspect of the question. No nation whose prosperity depends upon its industrial efficiency can afford to tolerate on a large scale deplorable labour conditions of the kind which made the Trade Boards Act necessary.

The Trades Boards Act is the Act just passed in England.

> For of what use is it to level up the condition of the working classes by Factory, Insurance and other Acts while at the same time it is subject all along the line to the downward pull of a mass of underpaid labour, altogether outside the influence of organization.

That is the condition of affairs in England. It is idle to keep on indulging in various forms of recrimination. Let us look at things as they are critically and seriously and endeavour, if possible, to profit by it. We find that the majority report of the Poor Law Commission in England states that:

> No country, however rich, can permanently hold its own in the race of international competition if hampered by an increasing load of this weight, or can successfully perform the role of sovereignty beyond the seas if a portion of its own folk at home are sinking below the civilization and aspirations of its subject races abroad.

That is a very severe indictment, but it is the report of the Poor Law Board of 1909:

> Nearly five years later, the Times makes the melancholy confession that the amount of destitution now existing in London is greater than it was at the end of the last century.

Then the report says that it is utterly useless for the Board of Guardians to attempt to deal with this situation as 'it is impotent to touch the roots of destitution.' That is, of course, the underpayment of labour.

The next thing on the programme, however, is to look at the Bank Report. There we see the rewards of capital and there we see that the average accumulation of profits is at the rate of twenty-one per cent. We can see no suffering on the part of capital.

[Mr. Burnham.]

At no time has capital suffered to any alarming extent. There should be some remedy. If this enormous profit can be obtained for capital, is there no way to obtain a little decent living for these destitute people, who should be rescued, who are willing to work and who cannot find employment? Is there no way of relieving this condition? Is it possible that in this twentieth century we are more concerned about the tariff, about politics and about procedure than

11 p.m. about life? Is there no man who has the intellect, the ability, the influence with the public and who represents the public, who will get up and, as Lloyd George is endeavouring to do in England, try to equalize the conditions of this country so that all men who have no capital but their labour and health, both somewhat uncertain, shall have a chance? I am not speaking in any sentimental strain. I am not discussing it in that way, I am talking about it as a matter of ordinary justice. This condition has continued for a long time and it can be done away with by the adoption of the minimum wage. All those who do not come within the scope of the minimum wage and steady employment will have to be taken care of under any system—it does not matter what. It is not those people that I am considering. I am considering the people who are well, strong and willing to work and yet can not find work, and who, if they do find work, have either to sacrifice their civilization or submit to underpayment. These are the things that concern us and it is for us to accept the burden of endeavouring to provide some solution. We seem to be at the very beginning of our civilization. If we could look upon a fairly contented people without being conscience stricken, if we could say that the people who are not able to enjoy the fruits of their toil are only the people who are not able to toil and who must be provided for by public munificence and perhaps by private charity, well and good, but to condemn so large a number of able and willing men to all the risks and privations of non-employment, is to neglect the most important and fundamental part of our national existence.

I have only now a few words to say about the disagreement between the free traders and the pseudo free traders. We know, for example, that capital thrives particularly upon inventions. We know that it is the patent rights that the great concerns own that are really the foundation of their prosperity and the life of their enterprise. If they had to give up their patents they

would be done for. Inventions are the source of a large proportion of the profits of industrial capital. But every time there is an invention, every time an invention is registered, it is just so much taken away from the workingman. That shows how tremendously in his legitimate sphere the workman is handicapped.

I have some letters here, one from local union No. 78 of the Brotherhood of Operative Potters, at St. Johns, Quebec. I had hoped that the hon. member for St. Johns and Iberville (Mr. Demers) would have been here to-night. I think he is not very well, but I know that he agrees with the request of these people that they shall be afforded protection against the underpaid labour of England, the competition of which has compelled the works at St. Johns which makes white glazed ware far superior to the sort they make in England, to go out of business. There has been a lock-out, not through any spirit of unfairness, but simply because this ware could be made cheaper in Staffordshire. The operation of the British preference has resulted in throwing out of employment these people who are nearly all old countrymen, principally Scotchmen. They say: Why did you not tell us that we would have to go back here to old country conditions and send our wives and daughters out to work? If you had, we would have stayed in the old country; but you told us that you protected your labour here. You do not, because we have had to go out of business. Here are these people who left the old country to avoid the degrading conditions existing there and gradually falling wages and came out here to improve their position, subjected to a lock-out. I have their own statement. It is not necessary to read it unless somebody challenges my statement, but the facts are there. These men paid their own way up here to present their case. They say that they have been out of work for a long time, that they have no prospects, and they do not know what else they can work at. Are we to understand that we prefer the works of Staffordshire and Lancashire to our own works in this country? Are we to tell these men that they must send their wives and daughters out to work, and that they have to produce the same output and accept the same rate of pay as in Staffordshire? Are we to tell them that they have to go back to the old conditions or else remain out of work? That is the alternative. I have here the written statement from these old countrymen in that regard. The writer set it out at great length. It is certainly convincing; it is absolutely and practically true. I also have a communication from the secretary of the Cobalt Miners' Union, in which he says:

> The social unrest is so real, so deep and the workers' economic condition growing worse so rapidly, we are afraid armed revolution will break out in several countries before long. Great Britain, Germany and the United States are drawing very close to the breaking point. Parliamentary action seems too slow, owing to constitutional and state restrictions. International capital has also completed its circle around the world. It will not be long before the cotton, oil and steel industries, etc., in China will, with their exploitation of cheap labour, become a real danger to our home industries.

He speaks of changed conditions even there. Foreign competition has had its effect even in Cobalt, and he says it is impossible for him to maintain, without any waste or extravagance whatever, the ordinary common condition of a respectable workingman, as he has done in the past, although he has constant employment, because the prices have to come down owing to foreign competition.

I suppose that the Conservatives are to a certain extent to blame for the condition of unemployment in the industrial centres, because when they came into power they promised a development of the home market for the agriculturists, and the home market has developed so rapidly that it has over-developed and has thrown the country somewhat out of balance. The farmers found that the home market, the manufacturing centres, had developed so rapidly that they left the farms. The promise of the Conservatives has been carried out in a marvellous manner. It was denied that the home market would ever develop, but it has developed. These conditions must be to a certain extent equalized, and the Minister of Finance has begun that equalization by lowering the tariff on agricultural implements, something that our hon. friends opposite neglected to do.

Under free trade, cheapness is the great consideration. The only way in which the free trader can command the home market, let alone the foreign market, is by superior cheapness. Cheapness is the death of civilization; it is the ruin of the hopes of those people who would rise above the level of the beast. It is a false theory; the standard should be a true and proper level of economic living where not cheapness but having our own market would be the

rule. If we had our own market, and no other market in the world, in a short time, with all our great natural advantages, we would have an ideal country to live in. Every industry would be balanced with every other; we would have plenty. This balance of industry is dislocated by such things as the British preference and the competition from abroad.

Apparently, we began at too high a standard, and we shall have to lower it. It will not be observed, perhaps, for some time, but it will ultimately be observed that if these conditions under the existing circumstances right themselves, it will be at the sacrifice of the life of the people. Something has to give way. If we are going to have the cheapness which will enable us to control the foreign market and the domestic market against general competition, it must be at somebody's expense; it must be at our own expense and it will be felt in the lowering of the life conditions of our people. It amazes me sometimes to hear the hon. member for Red Deer (Mr. Clark) speak about the balance of trade, as if it did not make any difference at all whether or not you spent more money than you had. According to him, under free trade, if you did not get the money back, why, it was your own fault; that is to say, we could buy more abroad than we sold and, once the goods came in, we ought to be perfectly happy. That may satisfy him, but I do not think it will satisfy any one else who has given the subject any thought. You may analyse the matter as deeply as you like, but it is just as simple as the case of an ordinary man who spends more money than he makes and who has to draw on his natural resources or receive assistance from somewhere. The consequences is that all we should be making of our immense natural resources and advantages is going abroad in interest on capital, in the repayment of capital and in the paying for goods which we should manufacture in Canada. It is positively absurd to send money abroad; to borrow money from abroad and send it abroad to pay for goods which we can manufacture in Canada. This condition could all be brought about by imposing a uniform rate of duty on everything and making it sufficiently high to be protective. I am not in favour of what is called high protection and certainly not in favour of unequalized protection, but I am in favour of that protection which will protect and keep us up to a high level and standard of excellence in our life and in our industries whether agricultural or mechanical.

The conditions in the country at the present time are indicative of a slight slump. They are so in the United States, in Mexico and in the various older countries, except perhaps in France, which, as we all know, is the most highly protected country in the world and which is absolutely the richest and most prosperous of all countries. If we must point to examples—and certainly it is only from our experience that we can draw conclusions, unless we follow the everlasting mistake made by the free trade theorist, who insists upon drawing his conclusions from a priori principles, and who believes that he is inspired by the knowledge of the true principles of Government and of economic life. Therefore he begins to draw his conclusions from his inspiration, and, though he runs up against all sorts of absurdities he simply continues to cry 'Freedom! Freedom!' as if every difficulty must be solved by that means. It is time to realize that this ancient theory of inspiration, of dogmatism, is long past and gone. Sensible people, scientific people, now observe and make use of their observations, drawing conclusions from what they see, not from what they have thought beforehand. This it is that justifies us in altering our position from time to time, whether it be with regard to protection or free trade, or living wage, or anything else. And so when conditions demand that we should put up the bars, we put them up, and we put them high enough to keep out a race that threatens our supremacy, or to keep out their goods which would stop our machines from working. We must consider what the conditions are and take our precautions accordingly. But for the recognition of that principle, nothing modern would have been discovered, since it is by the same process of observation and reason, and the adaptation of means to ends, that all discoveries and inventions have been possible. Only in this way have the wonderful improvements been made in the industrial world—the development of such things as the air compressor, also the new gas engines driven by gas from the chimney tops of smelters and reduction works which formerly went to waste. Only by means of observation and effort to meet conditions were such things achievable. Formerly all these things were attributed merely to

freedom, and especially freedom of trade—let that be the rule, it was said, and everything will be lovely. That old policy is played out, and if it is not played out, it is time it was, because its very friends are deserting it. I have here, but shall not read, the Monthly Notes of Tariff Reform in which are many amusing instances of declarations by free traders, that is by the present British Government, that they will provide for all the anomalies that may arise from time to time by the violation of the free-trade principle. And so they will go stumbling along in the good old English way, trusting that things will turn out right in the end, as they did at the time of the Spanish Armada, when they did not know what was going to happen next. But the painful fact about all this is that its free trade triumphs lie in following the line of least resistance, and that line of least resistance is the under-paid labour of those who are compelled to sell their labour to live. This spells ruin for the labouring class, who then must be upheld by factory Acts, insurance Acts, old age pensions, and all sorts of contrivances and palliatives which are substituted for protection. True, in the United States they suffer also, but what they suffer from is not from a great national prosperity they ought to have but do not have, but from the inequalities of protection. We do not deny that causes of complaint arise under protection; protection may be misused, as everything else is likely to be misused if people hold to it long enough—it seems to me that nowadays it is better not to even lay your watch down, for somebody will steal it; there was a time when nobody thought of such a thing. But protection may be the triumph of one class over another as it is the triumph of one industrial system over another. These things must be provided for, they must be controlled by Governments. But do not let us confuse these things with the other issues we are discussing, namely, the inability of the man without capital to protect himself against the man with capital, under free trade.

On motion of Mr. Robb, the debate was adjourned.

On motion of Mr. Rogers, the House adjourned at 11.22 p.m.

Friday, April 17, 1914.

The House met at Three o'clock, the Speaker in the Chair.

IMMIGRATION OF HINDUS.

On the Orders of the Day being called:

Mr. H. H. STEVENS (Vancouver): I desire to ask the Minister of the Interior (Mr. Roche) if he has received information that four hundred Hindus are on their way from Shanghai and Hong Kong on a steamer of the Maru line, under the leadership of one Gurdit Singh, and that the intention is to test the regulations of the Government with regard to Hindus and others; and, if the minister has heard of it, whether the Government are taking any steps in the matter?

Mr. ROCHE: This morning a telegram was received by the deputy minister from our agent in Vancouver to the effect that a number of Hindus were on their way to Vancouver, and instructions were sent to prevent the landing of all those who attempt to gain entrance to this country in violation of the Order in Council recently passed.

THE BUDGET.

Consideration of the motion of Hon. W. T. White (Minister of Finance) for the House to go into Committee of Ways and Means, resumed from Thursday, April 16.

Mr. J. A. ROBB (Huntingdon): Mr. Speaker, I hope the hon. member for West Peterborough (Mr. Burnham) does not expect me to follow him in his interesting trip through the empire of China and the Principalities of India. That non. gentleman is always interesting, and last night he brought forward for the consideration of the House many questions that are of real moment. But we must not forget that the mother country, to which we go to borrow money, has had her markets open for many years to the products of China and India, and that course apparently is helpful to the prosperity of that country.

I have had the privilege of listening to three Budget speeches by the present Minister of Finance (Mr. White). Listening to his Budget speech of this season, it seemed to me that conditions are not improving under this Government. In his Budget speech of 1912, the hon. gentleman was able to present some very rosy statements, by reason of the administration of his predecessor, and the splendid condition of trade at that time. The Budget speech of this year sounded very much like an excuse for continued borrowing and de-

pressed trade. I will not attempt a discussion in detail of the Budget, so carefully presented by the Minister of Finance, and so ably reviewed by the hon. junior member for Halifax (Mr. Maclean). But one feature of the minister's speech encourages me to make a suggestion to the Government. He told us that Canada had reached such a condition under this Government that we could not expect for some time to borrow money in London for less than 4 per cent. Indeed, the hon. gentleman frankly told the House and the country that during the past year he had made loans in London at 4¼, 4½ and 4¾ per cent. I ask the Government: is there any good reason why we should continue to borrow money in London at 4¾ per cent while we pay but 3 per cent to our own Canadian depositors in the Post Office savings banks? I submit in all frankness to the consideration of the Government the suggestion that they take this matter up and give some little attention to the savings of the people. If, as the Finance Minister says, Canada must for some time expect to pay 4 per cent in the London and New York money markets, is there any good reason why we should continue to take the savings of our own people at 3 per cent.

We are apparently all agreed that agriculture is the basis of our prosperity. The Finance Minister told us that during the past seven years the increase in exports had been largely agricultural. We are all agreed that good crops are good for Canada and that poor crops mean stagnation, but we are divided on the question of how to turn those crops into money. Our hon. friends opposite say: Tax everything you produce, everything you consume, everything you buy, everything you sell, and build up the home market. We on this side have a policy of larger and wider markets and reduction of taxation on the food of the people. Apparently that is the difference between the two parties. While we on this side of the House have a policy of larger and wider markets, our hon. friends on the other side, if we can interpret their policy from the speeches of those who spoke yesterday and the day before, have a policy of sympathy for the western farmer. I submit to the consideration of hon. gentlemen opposite that there are times in a man's life when sympathy is very desirable, but sympathy is of little use in buying wagons from the manufacturer in Chatham, engines from the manufacturer in Kingston or cotton from the manufacturer in Valleyfield. Sympathy is not much good for the help on pay day, and so what the western farmer wants is not so much sympathy as a policy of bigger and wider markets for his products. Canada had a fair crop in 1912, and a good crop in 1913. Our western provinces had a big crop but a very narrow market, and as a result the western farmer is without money to pay his store bills. Eventually that condition must back up first on the factory and then on the eastern farmer who feeds the employees of the factory, because if the employees who have been working in a factory are without work and cannot get money, they will be unable to buy the butter and cheese and other products of the eastern farmer. So I say that the farmers of the East are very much interested in the products of the farms of the West.

Recognizing that the growing production of the West demanded larger and wider markets, the Liberal party in 1911 appealed to the country on a policy of larger and wider markets. The subsidized interests throughout this country had grown fat and selfish. Our hon. friends with their allies, the subsidized interests, organized a campaign to defeat the policy of larger and wider markets—not upon economic grounds, but upon a policy of flag waving; in the province of Quebec, a no-naval policy; in the province of Ontario a big navy policy to which was attached a race and religious appeal that was not creditable to the great sister province. That appeal being before the country, the policy which we had sought for forty years was defeated. For forty years the people of Canada, represented by both great parties, the Conservative party and the Liberal party, have looked with longing eyes upon the great markets to the south. We made continual trips to Washington without much success, until in 1911, when the Hon. Mr. Fielding, who was then Minister of Finance, brought home what in my judgment was the best trade offer that Canada ever had. I insist that many years will come and go before Canada receives a better trade offer than that which she received from the great Republic to the south in 1911. Had that policy not been defeated, trade from the Atlantic to the Pacific would have been stimulated; the great producing West would have had more money with which to buy the products of eastern Canada and so, instead of the stagnation and unemployment which we have to-day, this

country would have been in a more flourishing condition.

Mr. SMITH: How?

Mr. ROBB: The farmer of the West would have had more money to buy the products of the East. My district was not stampeded in the campaign of 1911. At Brysons, in the valley of Chateauguay, surrounded by the best farms in Canada, there stands a monument to the brave Canadians who in 1812 drove back the invaders and saved the province of Quebec to Canada and the British Empire. To the sons of such sires, the loyalty appeals of hon. gentlemen opposite were but pure hypocrisy. They knew the value of the American market, with which we have traded in the bright open light of the sun by day, as well as under the protection of the stars by night, for over 100 years.

Mr. SMITH: A little on the quiet.

Mr. ROBB: If our United States friends are ready to stand the chance of coming over here and paying $25 more for a horse and $15 more for a cow, we are not going to ask many questions.

The policy of our hon. friends in 1911 was: build up the home market. Now that they are able to put their principles into practice, their policy is build dreadnoughts and drill-sheds. But I submit to hon. gentlemen opposite that this country will require something more than that policy if they are to sustain the Government at the next election. Having listened to the voice of the jingoes, Canada still has a narrow market, and the price of foodstuffs is going up in this country; our United States neighbours on the other hand have revised their tariff to suit their requirements and apparently with some regard for Canadian prejudices. The Underwood tariff has put the reciprocity issue straight up to this Government. Under the Fielding-Knox policy the products of the farm would have flown freely from the producer to the consumer. But the Underwood tariff, as revised, has very seriously interfered with the wheat industry of this country. The hon. member for West Peterborough (Mr. Burnham), in his interesting discussion of the conditions in China, pointed out that the highest wages paid to the artisan in China is thirty cents a day, and that the average wage paid is five cents a day. I suppose my hon. friend was discussing this from a silver basis, because China is on a silver basis.

Mr. BURNHAM: No, on a sterling basis.

Mr. ROBB: Listening to my hon. friend from Peterborough, I wondered what the hon. Minister of Trade and Commerce (Mr. Foster) would think of the value of the Chinese market for Canadian flour, with wheat selling at ninety cents a bushel, Fort William. I wonder how much flour the people of China, earning five cents a day each, will be able to buy as long as we keep the price of our wheat at about ninety cents, Fort William. The hon. member for Peterborough says we may export flour. But we know that in Manchuria there are some of the largest wheat fields in the world, and that at Harbin there are as good flour mills as in Minneapolis or in Canada.

Mr. BEST: Would you be in favour of free flour?

Mr. ROBB: Do not be too impatient, my friend. The Underwood tariff places the wheat from all the world on the free list on a reciprocity basis, but a clause in that tariff hits Canada. The free list of the United States tariff reads:

That on and after the day following the passage of this Act except otherwise specially provided for in this Act the articles mentioned in the following paragraph shall, when imported into the United States or into any of its possessions (except the Phillipine Islands and the Islands of Guam and Tutuila) be exempt from duty.

Article No. 664 of the Underwood tariff says that the following shall be free:

Wheat, wheat flour, semolina and other wheat products not specially provided for in this section, provided: That wheat shall be subject to a duty of ten cents per bushel, that wheat flour shall be subject to a duty of forty-five cents per barrel of 196 pounds; and semolina and other products of wheat, not specially provided for in this section, 10 per centum ad valorem, when imported directly or indirectly from a country, dependency, or other subdivision of government, which imposes a duty on wheat or wheat flour or semolina imported from the United States.

Now, Sir, how does this affect Canada? Does this article not mean that the Argentine Republic now enjoys what Canada refused in 1911, and does it not mean that there will be a tariff of ten cents against the wheat of Canada unless this Government are prepared to open the Canadian market to the competition, not, as in 1911, of the United States alone, but to the competition of the Argentine Republic and of every country that exports wheat? That is the position in which the hon. gentlemen

have placed this country by their opposition to the pact of 1911. In 1911 the big millers of Canada opposed a proposition that would have given them two markets wherein to buy their wheat without paying duty, and would have given them a protection of fifty cents per barrel in a market that was gaining at the rate of a thousand barrels mill every year. Under the policy of 1911 the millers of Canada could have gone down into Kansas, Michigan or Ohio and bought wheat; and this would have been of special benefit to the Ontario miller right on the direct transit route to the sea at this season. Every year about May, the millers run short of winter wheat. The Ontario miller could have gone into the southern markets and bought wheat, kept his mills continually running exporting flour, and would have had the bran and shorts for the dairy interests of this country. They opposed that policy, and it has taken them less than three years to wake up to the fact that the reciprocity pact was not the worst thing that could have happened to the Canadian milling business.

In the Montreal Gazette, a very good Conservative paper, on Christmas day last, the big millers of Canada sent out what must have been intended as a Christmas card to the Prime Minister of Canada. I shall quote not the whole article, but a few extracts from it. The first extract reads:

> **The present Government were elected on the main issue of reciprocity, the provisions of which were more favourable than those offered under the present United States tariff.**

And, not believing that that was quite strong enough, a little further down in the same column we find from the same big millers this further reminder to the Prime Minister:

> **Those who are agitating for the removal of the duty on American wheat and its products are the same who so strenuously fought for the late Government at the last election when, if anything, the proposals under the reciprocity treaty were more favourable than the present offer.**

Not satisfied with making the statement once, they throw it into the Prime Minister a second time that the policy of 1911 was better than the position in which this Government has placed the farmers of the West and the milling interests of Canada.

There is another feature of the card which the big millers addressed to the Prime Minister that is worthy of some attention—because it will be remembered that the great issue in 1911 was a loyalty issue. Our friends opposite contended, and the big interests contended, that to give the western farmer permission to sell his products to the United States meant disloyalty and possibly annexation, and that we should keep closer to the mother country. Here is what the millers have to say on that proposition:

> **If flour is admitted into Canada free from the United States, Great Britain and other countries in the empire might with reasonable justice ask that the same privilege be extended to them.**

They say further that the millers would have to meet competition from the millers of Great Britain on our eastern coast and of Australia on our western coast. Imagine the men who in 1911 shouted loyalty and closer association with the mother country, on Christmas day, 1913, sending to the Prime Minister a Christmas card, saying: Do not let our western brother sell his wheat to the Americans or we will have to meet the competition of the motherland on the Atlantic coast and of our Australian brethren on the Pacific coast.

I contend once more that if the policy of 1911 had not been defeated the western farmer would have had a better market for his wheat, and not only for his wheat, but for his oats, barley and flax. He would have had more money with which to buy the products of the eastern factories and, instead of stagnation and factories running short time as they are to-day, we would have had greater prosperity. This view is supported by no less an authority than the Montreal Gazette. When I am at home, before I settle down to work in the morning, I generally read the editorials in the Montreal Gazette. On May 29, 1913, at a time when there was no general election, the Montreal Gazette laid down this theory to which we on this side can offer no objection:

> **Much for the future depends on a succession of good harvests because the product of the field is not only the dependence of home industry but is the chief item in the total of the exports which enables the country to pay the interest on its large borrowings.**

If it is good for the country to have a good crop surely it cannot be bad for the country to get good prices for that crop. I think the Montreal Gazette might have gone a little farther and pointed out that as Canada produces more wheat, oats and barley than we can take care of, what we need most is larger and wider markets for the products of our western country so that the people who produce these commodities may be better able to buy the products of the factories in the East.

Mr. SMITH: Would they buy them?

Mr. ROBB: The farmer is generally a pretty good buyer; my hon. friend should know that. I wish to deal briefly with the dairy industry. I am sorry that the right hon. the Prime Minister (Mr. Borden) is not in his seat. Speaking at Winnipeg on the 19th Ju e, 1911, the right hon. Prime Minister, then the leader of the Opposition, is reported in the Conservative papers to have said that the Conservative party opposed the Fielding-Knox trade arrangement because:

It encourages the export of agricultural and animal products, in their lowest and least finished form. Our cream will be converted into butter or cheese not by Canadian labour but by United States labour.

At that time the United States had offered to admit Canada's butter and cheese free into the United States if Canada would in turn admit the butter and cheese of the United States into Canada. It would have been a mutually advantageous arrangement but our Tory friends, unable to deny its economic value to producer and consumer, raised the cry of British connection. The very thing which the Prime Minister wanted to prevent is now reaching enormous proportions in this country. The eastern townships and the counties in the valley of the Chateauguay and the lower St. Lawrence are very large dairy districts. In the eastern townships and along the valley of the Chateauguay the factories are either closing down or burning up because the Underwood tariff has discriminated against the butter and cheese of this country. They admit our cream and milk free into the United States but there is a discrimination of 2½ cents a pound against our butter and of 20 per cent against our cheese. What is the result? The butter and cheese factories are being turned into creaming stations. The cream is being shipped to the United States and our labour is following that cream. The increased labour that we should and would have had in Canada, because, had reciprocity carried we would have had a larger market for butter and cheese, is lost, and the manufacturer is losing the work of making the cheese cloth and butter wrappers and his employees are paying 3 cents a pound duty on New Zealand butter.

Mr. WEBSTER: Will the hon. member be good enough to tell the House what the wholesale price of cheese in northern New York was last week as compared with the price paid in Montreal ?

Mr. ROBB: I have not that price, but I would like to remind my hon. friend of this—he is in the business ?

Mr. WEBSTER: Yes.

Mr. ROBB: And he knows.

Mr. WEBSTER: The price was 1½ cents a pound less.

Mr. ROBB: My hon. friend knows that at the time reciprocity was under consideration, Canada had an offer of 90,000,000 customers at her door, but, listening to the jingo appeal of hon. gentleman opposite, the majority turned down that bargain. The United States have revised their tariff with due regard for Canadian prejudices and they are admitting into the United States markets the products of all the world. The United States manufacturer, as a result of that, is going to be able to feed his employees cheaper than our manufacturers can, and some day it will be up to our hon. friends opposite to face the situation which will arise; there will be such an outcry in the cities and towns of this country that they will be compelled to deal with the tariff in the future. Admitting that the United States market may at times be better than the market in Canada, our farmers in the eastern townships and the counties that I have referred to are not suffering very much so long as they can ship their milk and cream. Situated as they are, these farmers are to-day selling their milk at $1.40 while the farmer up here is only getting $1.10.

Mr. WEBSTER: The hon. gentleman has not heard that the price has gone down 15 cents.

Mr. ROBB: My hon. friend knows why that is. You can ship butter a thousand miles or 3,000 miles, but you cannot ship milk a thousand miles because it will not keep and also because of the freight charges. From Huntingdon and Cowansville you can ship 100 pounds of milk to Boston for $1.50. If you reduce that milk to cream you can ship the cream for 15 cents, which is equal to 3¾ cents per pound of butter. If you reduce the cream to butter you can ship by express for 1½ cents a pound, and if you ship by freight you can ship it for half a cent a pound. To ship 100 pounds of milk from Renfrew to Boston will cost you $1.90, while the cream content of that milk will cost 19 cents, or equal to 4¾ cents per pound for the butter contained in it. If you reduce the cream to butter you can ship the butter for 2 cents a pound, so that my hon. friend will understand that a free market for milk and cream is not of very great advantage to the farmer who lives 200 or 150 miles from the international line.

Mr. SUTHERLAND: How much butter was imported into Canada from the United States during the last fiscal year?

Mr. ROBB: I do not know; but I can tell my hon. friend that the men who opposed the reciprocity pact in 1911, and more especially the men in the cities, are paying for it now every time they butter their bread with New Zealand butter, because they are paying a tax of three cents a pound on New Zealand butter and four cents a pound on butter from the United States. They are paying for their experience to that extent. I think I have established that the tariff question was not settled in 1911. In the campaign of 1911 the policy of the Liberals meant increased trade and greater prosperity, and the policy of the Conservatives was: Let well enough alone. To-day that policy satisfies neither the East nor the West. The western men still send delegations to Ottawa, asking for wider and larger markets, and the friends of the Conservative party in the province of Manitoba unanimously passed a resolution demanding free wheat, which the friends of the Conservative party in the East are not willing to concede. The Minister of Finance comes to Parliament and he asks Parliament to slow down. He tells his friends that this must be a year of retrenchment; that all must make some sacrifices, and the member for St. Antoine repeated that admonition in his address. But it was noticeable that the next day after the Minister of Finance had made that appeal to his friends for retrenchment and sacrifice, his colleague, the Minister of Militia, with an entourage of colonels and majors, started out on a trip of inspection over the battlefields of Virginia. With such an example of self-sacrifice on the part of the Minister of Militia before us, we on this side of the House were not astonished at the feeble applause with which hon. gentlemen opposite greeted the Finance Minister's appeal for economy.

It is sometimes disputed that conditions in the East are as bad as the newspapers say, but judging by the experience in my home city, the newspapers are not exaggerating. We have in the city of Valleyfield the best cotton mills in Canada. In 1907, when the present Prime Minister, then leader of the Opposition, visited these cotton mills, he found them so busy that the local Conservative committee could not prevail upon the management (who were always Conservative and who sometimes threatened their employees if they voted Liberal) to let the boys out to give Mr. Borden a reception on his arrival by train. The management of these cotton mills believed Mr. Borden when in that year and the year following he preached adequate protection, and so they practically compelled their employees to oppose the Liberal Government, although, and let me state it right here, from 1896 to 1911 the mills had doubled and trebled their capacity, until they employed about 2,500 hands. But let the right hon. Mr. Borden visit Valleyfield to-day and what will he find?

Mr. WILLIAM SMITH: What was the policy?

Mr. ROBB: The policy is the policy you have to-day, with this exception: that, recognizing the growing importance of the West and recognizing that in western Canada our eastern industries had many customers, we on this side of the House in 1911 appealed to the country on a policy which would have meant larger and wider markets, and which would have given to the western country more money to buy the products of the eastern cotton factories, so that instead of having orders cancelled—and I know what I am speaking about—as they are being cancelled and have been cancelled all winter, these orders would have been doubled because the men in the West would have had money to buy the goods. And if the Prime Minister visits Valleyfield to-day, he will find hundreds of looms idle, and he will find also that the contents of the pay envelopes are so small that they barely meet the needs of the families of the working people. I submit again that the tariff was not settled in 1911.

I have tried, Mr. Speaker, to present the trade issue as it affects the products of my district. At Ormstown, during the Chateauguay election, the Minister of Agriculture, speaking on the trade issue, used these words as reported in a newspaper:

> All that Laurier promised you farmers by reciprocity in 1911, you have since obtained in just the way we told you it would come.

The Underwood tariff had been brought down six days when the Minister of Agriculture made that speech. He was speaking for the Prime Minister, for the Minister of Customs, for the Minister of Finance, for the Minister of Trade and

Commerce, but apparently these men had been so busy appointing commissions to dismiss honest and faithful public servants, and commissions to hatch scandals, that they had not time to look into the merits of the Underwood tariff, and to learn that that tariff discriminated against the great butter and cheese industries of this country, and that that tariff prevented the western farmer from getting his wheat, his barley and his flax into the market he wanted. The hon. member for Argenteuil (Mr. Perley), who acts as spare man for the Government, in a recent trip in the eastern townships, promised us an election in 1915. I want to know if the policy of the Conservative party in 1915 will be a policy of do nothing and let well enough alone; I want to know if the voters of this country can be humbugged again in 1915. Some may, but I submit to you, Mr. Speaker, that on the farms, in the towns, in the villages, yes, even in the cities, there is growing up a young generation, many of whom will go to the polls for the first time when the next election comes, and register their votes for a policy that offers something more to this country than: let well enough alone.

Mr. J. A. M. AIKINS (Brandon): Mr. Speaker, those who listened to the Budget speech, or who have carefully read it, must come to the conclusion that Canada has a Minister of Finance, painstaking, industrious and capable, ambitious to discharge the duties of his office as well as his predecessor or better, and he is in a fair way to do so, but in the accomplishment of that purpose will find in his path serious obstacles to overcome and difficult problems to solve. Those problems and obstacles arise to some extent by reason of the newness of our country and of its settlement, by reason of the long distances which separate communities, but more particularly by reason of the reckless toying with the credit of our country by the late Administration, the improvident incurring of liabilities and obligations, the careless way in which they undertook enterprises which are not going to be profitable to this country. Those difficulties and those problems are also greatly increased by virtue of this one thing, that the late Administration did not properly appreciate the National Policy, nor apply it to nor work it out in the Prairie province; so that to-day the conditions of the West are to a great extent different from the conditions of the East, and that also accounts largely for the depression now prevailing in the West. The result, however, of the non-application by the late Administration of the national policy to the opening West is that it has created a difference of conditions between the East and the West so that the present tariff does not fall with equal incidence upon the people of the West and the people of the East. They do not share the benefits or bear the burdens equally. If there are any differences existing between the East and the West, if there are any inequalities, if there are any injustices done to the one by the other or by the whole of Canada, or any misunderstandings existing, the sooner those misunderstandings are dissipated, the sooner the differences are arranged, the sooner the inequalities are made level, the sooner any injustice that is practised is removed, the better for the progress and strength of Canada. If those inequalities or injustices or differences are allowed to remain, they can only result in bitterness; bitternesses will degenerate into dislike, dislike into conflict and conflict into a separation in mind and heart, which in the future it will be very difficult for this country to overcome. The right hon. the late Premier has declared time and time again that he proposed the National Transcontinental railway as one means of holding the West and the East together. The bond which will bind the East and the West together is a bond of sympathy, hearts beating in kindliness for each other, common hopes and purposes; and if such prevail, that very kindliness and sympathy will overleap the rocks which separate the East from the West, blot out the wilderness, and make Canada one, even though the rails of the National Transcontinental rust and the ties supporting it rot and the trains on it forever stand still. The thing that should be aimed at by all persons in Canada is the creation of a common sentiment as well as common business relations between the East and the West.

4 p.m.

There are disadvantages existing in the West. That term implies that others have superior means or opportunities or advantages. Some of those are natural disadvantages; but as far as possible the Government of Canada should attempt to remove them. For instance, it was stated by my hon. friend the member for Frontenac (Mr. Edwards) only yesterday that there was a disadvantage in eastern Canada in respect of the United States by reason of our northern climate, which prevented our farmers producing some things as cheaply as they could in the United States.

That was no doubt true; but when you consider the fact that we have a northern climate also in western Canada, you will see a disadvantage in which the farming community in the West is placed. Did the late Administration in any way try to overcome that disadvantage? It could have been overcome; nature has provided against it great forests, great coal areas and magnificent waterfalls. What did the late Administration do with these? We know in respect of our great timber limits that they gave many of them away for the enrichment of private individuals and corporations. They did the same with our splendid coal areas in the southwestern part of Manitoba and in southern Saskatchewan and elsewhere. It will forever gall the people of the West that many of our splendid water-powers have been dealt with in the same way. On the Winnipeg river there are great falls which, turned into water-powers, are able to generate 500,000 horse-power of electric energy, easily transmissible to the centres of our population in the province of Manitoba and in southeast Saskatchewan. With the exception of the power given to the city of Winnipeg, which was properly utilized for public purposes, the late Administration gave away, or rendered ineffective, all of those powers except two, namely, the Slave falls and the McArthur falls, which are two of the minor falls on the Winnipeg river, and requiring for their development a greater expenditure than the other falls. I submit, therefore, that, for the purpose of overcoming the difficulties resulting from our northern climate, the late Administration did not conserve the use of those important natural resources for the benefit of the people. It is no conservation to enrich private persons and corporations and deprive the public of the benefit; but that is what the late Administration did. One of the best things that the present Government can do in respect of the West is to utilize those water-powers and coal areas which remain. Of those water-powers which are not developed now, they should repossess themselves and create and distribute cheap electrical power for the purpose of establishing in Western Canada industries, manufacturing establishments and home markets, so that the farmers of the west of Canada will not require so much markets in the United States, but will find them as the Ontario farmers do in their own country; and I commend to the present Government the consideration of the situation in the West with respect of the inequality of tariff benefits with the hope it will take prompt steps for its removal, and will see that the rights of the farmers of the West are properly guarded.

Another disadvantage to the people of the prairie provinces is the long distance from an available ocean port. To remedy this better rates should be secured; to reduce such rates the late Administration made no effort, nor did they try to secure better ocean freight rates. To the extent to which any inequality in freight rates exists between the East and West inquiry should be made, and this inequality remedied. In order to encourage the export of some products, Germany absorbs some of the freight rates or gives reduced rates.

Again, that distance between the point of production in the West and the ocean port and final market may be shortened by the immediate construction of the Hudson Bay railway. We know that the late Administration, from 1896 onward, tickled the ears of the people of the West with the suggestion: that they were going to give them the Hudson Bay railway. In every election that followed they whispered the same sweet message to the people and decoyed them to their support. Yet during their fifteen years of power the railway remained unconstructed. These hon. gentlemen say: 'But we intended to construct it: did not we make a contract for its construction, and did not we almost immediately afterwards turn the first sod at Le Pas with great eclat? We were going on with it.' Going on with it! It took the late Administration fifteen years to get the idea into practical shape, and it would have taken them twice fifteen years to construct the railway. Why? Because they had no faith in it. Did not the high priest of Opposition finance the hon. junior member for Halifax (Mr. Maclean) declare—and he was supported by those behind him: 'The Hudson Bay railway is a doubtful project.'

Some hon. MEMBERS: Hear, hear.

Mr. AIKINS: That was the conception they had of the project.

Mr. W. H. SHARPE: They say 'Hear, hear' to that now.

Mr. AIKINS: Yes, they support that statement still. Is it to be doubted, when they themselves had no faith in the railway, that they would have continued to

follow the policy which they had pursued and would have dangled this project before the eyes of the people in sœcula sœculorum? That this was what they intended is evidenced by the fact, that they did not select, or even try to select, an ocean port on Hudson bay for that railway. Why did not they do it? I do not know. I can imagine that it may have been within the conception of the right hon. the present leader of the Opposition (Sir Wilfrid Laurier) that somehow or other, when the line reached Split Lake or some other place, he would have diverted it and connected it with his bewitching Transcontinental railway, and so never have continued to the Hudson bay at all.

But that railway is now being energetically pushed. Still, our people in the West say: But we are timid about one thing: that when the road is constructed and the port prepared, the Minister of Marine and Fisheries may not by that time have arranged his aids to navigation, he may not have established his pilot stations, his signal stations, his wireless telegraph stations—so that when we are ready to send our grain to Hudson bay its transport across the ocean may thus be delayed. But the supporters of the Government in the West have told our people of the West that our Minister of Marine and Fisheries (Mr. Hazen) is conscientious and painstaking, and that he will have all these aids to navigation ready by the time the railway is constructed. Again they say, that is, some of the people, mainly Liberals, say: But your Minister of Trade and Commerce is thinking so much about making treaties with the West Indies, with the islands of the ocean and the nations of the world, that he has no time to give consideration to the necessity of having vessels arranged for to carry our products out from Port Nelson and to bear the incoming traffic to the West via the Hudson bay route. But, Sir, the hon. member for Lisgar (Mr. Sharpe) who is immediately before me, and I have told our people in the West that we know our Minister of Trade and Commerce (Mr. Foster), and have confidence in him. We know that he is industrious, that he is a man of astute mind, and that he never leaves anything unfinished which he has undertaken. And so our people of the West are persuaded that when this railway in which they have such absolute faith, is completed, the vessels will be ready to carry their produce by this route which is seven hundred miles or so shorter to Liverpool than the present route by Montreal, St. John or Halifax.

The farmer of the prairie provinces also claims to be at a disadvantage compared with the farmers of the United States in the Dakotas, Minnesota and Montana, his rivals in hard wheat, both in respect of the marketing and of the production of that wheat. The line, the 49th parallel, is invisible. But to the loyal people of the West—and they are loyal to Canada, in so far it means a distinction between two nations; on the one side the Stars and Stripes and soaring eagle, on the other the Union Jack, the Maple Leaf or industrious beaver—so far as that line is necessary to the establishment of a Canadian government independent of the government to the south, at liberty to carry out its own will and to make its own fiscal policy and, free from impediment and entanglements, to work out its own destiny, Canada for Canadians and the British Empire for Canada, to develop its own nationhood as a leading unit and factor in the British Empire—that line, I say, is a fixed and impassable gulf, a wall of adamant, beyond which we cannot pass, across which they cannot come. And our people in the West welcome that distinction and are proud to be called Canadians.

But in so far as that line is not necessary to our development as such a nation or essential to our protection or to the working out of our national policy, it should not be allowed to hamper or prevent trade and commerce or friendly intercourse between the two nations. As to whether or not it is a line of separation necessary to the working out of our national life, essential to our national policy and protection, Canadians may differ, and, true to our democracy, the minority must bow to the will of the majority. But where one section or class, whose existence and success is essential to Canada, suffers loss for the benefit of another section or class or for the benefit of the whole, that essential section or class so suffering for the benefit of others should have compensation in some way.

I intend now, as representing a rural constituency, to take a brief for the farmers of that constituency. The wheat farmers of the prairie provinces contend that they are at a disadvantage compared with the wheat farmers of the west of the United States, with whom they have to compete in the markets of the world, and that that disadvantage is now unnecessary. They say that the majority of the Canadian electorate rejected reciprocity on the ground that it would have hindered our

development as a free nation, as an integer in the British Empire; that it would have subjected us to the fiscal control of the United States and made us an adjunct thereto, and so would have been an injury to the whole of Canada in all its sections and classes. They contend that now, without any fiscal entanglements with our neighbours, without any international agreement, they can at the sweet will of our Government have a free market for their wheat in the United States by a small tariff change, and that the Government can, without consulting any nation, alter again that tariff as it likes, and so have opened to them all the markets that their competitors have, thus removing this present disadvantage. They claim that the United States Government, by its policy, has established in its west large milling industries at Minneapolis and that district; that the United States Government has so developed and controlled its transportation systems, which carry the wheat from Duluth to the seaboard and from its ocean ports to the world wheat markets, that there is a better price to the farmers of the Dakotas and Minnesota for wheat, at their western mills and at Duluth. And I charge that the disadvantage under which our western farmers now labour in having a lower priced wheat market is due to the neglect of the late Administration in not fostering and establishing milling industries in the West during their long fifteen years of power, and in not providing cheaper transportation for wheat to the ocean and across the ocean to Liverpool. The western farmer is now suffering as a result of that neglect. The wheat of Minnesota, the two Dakotas and Montana is marketed at the same time and with the same expedition as the wheat of the prairie provinces. It cannot be controverted that for the former a better price is received. For instance, during the market period of our western wheat, say from the 15th of September to the end of the calendar year 1913, the average price in the western states was: at Minneapolis for the first grade, 87.4, at Duluth for the first grade, 86.6, at Winnipeg or Fort William for the Canadian first grade, 84.6, a difference in favour of Duluth of two cents, and of Minneapolis of nearly three cents. The Winnipeg and Fort William prices are practically the same. I have made up these averages from a statement which I hold in my hand extending over the period which I have mentioned, which shows the prices for the different grades. I will not trouble the House by reading that statement; I will give only the results.

When consideration is given to the fact that Canada's first grade is of a higher quality than the American first grade, and that an allowance of two cents is generally considered fair, the average prices to the Americans for the same quality of wheat during the period stated would be: at Minneapolis, 89.4; at Duluth, 88.6; a difference in favour of Duluth of 4 cents and of Minneapolis of about 5 cents. The spread between the non-contract or commercial grades, of the same class, usually sold on sample, was considerably higher at those points in the States. The western farmer claims that he should have the opportunity of getting that higher price. And why should he not? Are there any sufficient grounds against giving him the opportunity? One reason assigned against it is that if the Canadian wheat had free access to the Minneapolis market, prices would be equalized on both sides of the line. There is considerable force in this argument and any one who reads the debates in the Senate of the United States on this subject when the reciprocity agreement was being considered, particularly the speech of Senator Gronna, and of other senators, can see that there is foundation for that contention. The equalization, however, does not mean that the Minneapolis market price would fall to the level of the Winnipeg price. The probability is that the Winnipeg price would rise some and the Minneapolis price lower; thus they would be on the same level. The prairie farmers claim they would, in any event, get a higher price than they at present receive.

They point out in this connection the important circumstance that it is well known that the three states immediately to the south of the prairie provinces are 'hard wheat' producing states, growing practically the same variety of wheat that is grown in the prairie provinces. A large percentage of the United States spring wheat is marketed in Minneapolis, or in small centres adjacent thereto, but that this milling industry does not consume the entire production is shown from the fact, as it is given to me, that during the crop year 1909, speaking in round figures, 54,000,000 bushels of wheat were shipped from Duluth; for the crop year 1910, 26,000,000 bushels; for the crop year 1911, 25,000,000 bushels; for the crop year 1912, 78,000,000, bushels, and up to the present time, for the crop of

1913, 45,000,000 bushels, proving conclusively that more spring wheat is grown in the United States tributary to those mills than is required by the mills.

It can be readily seen therefore, that the Minneapolis mills do not need our wheat for grinding purposes, even for their home consumption. Nor do they need it for grinding flour for the foreign market. Allow me in this connection to call your attention to the following extract from page O-98 of the tariff of the United States:

> That upon the exportation of articles manufactured or produced in the United States by the use of imported merchandise or materials upon which customs duties have been paid, the full amount of such duties paid upon the quantity of materials used in the manufacture or production of the exported product shall be refunded as drawback, less 1 per centum of such duties.

But that is not all. There is this further proviso:

> Provided. . . if, however, the principal product is exported, then on the exportation thereof there shall be refunded as drawback the whole of the duty paid on the imported material used in the production of both the principal and the by-product, less one per cent, as hereinbefore provided.

Which means this: that if flour manufactured from the imported wheat is exported, the by-products, bran, etc., remain free of duty. Notwithstanding that tariff provision there is no practical demand in Minneapolis for the wheat of the prairie provinces for the purpose of manufacturing for export.

As the Minneapolis miller can select from an abundant supply and leave a surplus to be sent out via Duluth, our farmers contend that any addition to that surplus would not reduce the American price, and that in no event would it be reduced below the Duluth price. Duluth is the point where the grain leaves the West and becomes subject in respect of price to eastern and export market influences. There seems to be no doubt that the Duluth price is higher than the Winnipeg or Fort William price, as I have pointed out, and our farmers claim that if they are allowed to sell their grain on the American market they will receive the American Duluth price. The rate of freight to Duluth corresponds to the freight rate to Fort William. There is a great difference between selling at Duluth and sending through the States in bond. In the one case the American dealers can sell in the eastern states and choose their own time and vessels and quantities for shipping to any point in the United States, or from there to ocean ports, whereas the Canadian dealers cannot do so in the one case at all, or as well in the other.

The cause for the higher price at Duluth may be accounted for at all events partially by the reasons just assigned, the market of the eastern states and somewhat lower ocean rates to final markets. Undoubtedly when the United States ceases to produce more wheat than it cons umes it will become an importer and the prices will rise. It has not yet reached that stage. When it does it will open its doors to world competition. Already Argentina, which is Canada's biggest competitor in the production of wheat, has made its tariff laws conform with the conditions of the United States tariff, and wheat and flour from that country will be admitted free of duty into the United States.

Another argument used against a free United States market for wheat is that it would involve loss to our railway transportation system. Undoubtedly the lines of transportation in Canada are east and west, and if the removal of duty would in a marked degree remove the traffic from those lines it would be an economic loss to Canadian railways and Canadian vessels and to the many people employed on them in Canada, and should be avoided. But would it cause such diminution of traffic over Canadian lines? The western farmers claim that in the three states producing hard wheat adjoining the prairie provinces, the cost to the Dakota, Montana, or Minnesota farmer to move his grain over American routes to the eastern states is substantially the same as the cost to the Prairie farmer over the Canadian routes to the East. If, as pointed out, the Canadian grain is not a necessity to the Minneapolis miller, it can find it way to the eastern states as cheaply over the Canadian as over the American routes and, therefore, the Canadian lines will have no difficulty in retaining the traffic. The average rate on wheat from Central North Dakota to Duluth is 15 cents per 100 lbs. corresponding to a similar distance to Fort William from Canadian grain fields. If shipped by Minneapolis the rate will be 20 cents per 100 lbs. for stopping and transfer, and to unload, 1 cent a bushel more. Thus, the farmers contend, it is clearly impossible for the Minneapolis dealer to bring Canadian wheat to that market unless it is required for milling there. To ship by Duluth does not cheapen transportation to the eastern states market as compared with shipment by Fort William. If that be so, the farmers ask what have the

transportation companies to fear? Indeed, the farmers say if our rates were cheapened as suggested by the Finance Minister why should not Canadian railways carry western American wheat from Minnesota, Montana, and Dakota to the eastern states. Let me call the minister's attention to this that the all-water route for grain during the open season is by the Welland canal. For this water route there are not sufficient boats of canal size to carry the grain that would be offered for the all-water route and large vessels are used for its transportation to Port Colborne where it is transferred to the river boats. Port Colborne lies about twenty miles west of Buffalo. The rate for wheat to Buffalo was at the opening of navigation 1½ cents per bushel. The rate demanded to Port Colborne, which port can only be used by Canadian bottoms, was 2 cents per bushel. And I am informed that the same is also demanded for Georgian Bay ports. It is said that Canadian boats demand more for hauling grain to Canadian ports than do the American boats to American ports, and the same grain can be carried a longer distance in American boats cheaper; but the coastwise laws prevent our using American boats to Port Colborne.

The western farmers also point out that the new market in the eastern states would have a steadying effect upon the price of wheat; and as we produce the best hard wheat the eastern states as well as Europe would compete for it. They also point out that the business in Canadian wheat is largely centralized and controlled by one English firm to the detriment of the Canadian producer, and another market would aid in checking that.

Another argument urged against free wheat is that it would injure Canadian milling interests. I understand from some millers who visited Ottawa that they would not seriously object to free wheat if they could get better ocean freight rates for flour. The farmers say: How will the western millers be injured? Their western home market is small and easily supplied, their trade is mainly export, they can get all the wheat necessary from the adjoining grain fields, the millers have to compete now with the Minneapolis miller who can get Canadian wheat for export flour by paying 1-10th of a cent per bushel advance. They say further that when wheat is free the millers in Toronto or Montreal can get soft wheat as easily as their neighbours across the line; that if mill machinery and structural material are more expensive by reason of duty, such duty should be removed in so far as is necessary to establish a great industry.

The farmers of the West claim that they are not worried about the bran objection. They say that a good price for wheat is more important than a dollar or two a ton increase on bran; that a ton of alfalfa is as good as a ton of bran for fattening cattle and less expensive. If the majority of the people of the country, represented by the present Government, decide that for the benefit of the eastern railways and eastern routes and eastern millers, or of Canada generally, the interest of the prairie provinces must be subordinated or sacrificed to an extent, to that extent they contend those interests or Canada should, in justice, make up the loss to them or raise the price to what they would get if given the American market.

Let me suggest to the Government, as they admit that the Minneapolis price is higher because of its established mills, why should not the Government take steps then to establish such mills in the West? It can be done by establishing such mills in connection with their interior terminal elevators. It can be done by taking off the duty on materials entering into mill construction. It can be done by the Government constructing on their Dominion waterpowers and in their coal areas plants developing electric energy; and they can distribute that to all the cities and towns and places where there are mills, and without loss to the Government—(the people are willing to pay for that power). It can be done by absorbing or reducing some of the freight rates according to distance to the seaboard and by getting suitable ocean rates on flour. The price of wheat can be improved also by a reduction of freight rates to the ocean and across it and, as I have pointed out, by the completion of the Hudson bay route. I press upon the Government these considerations.

Mr. LEMIEUX: I understand that the hon. member's suggestion would be to reduce the duty on materials for the construction of mills, for the exclusive benefit of the West?

Mr. AIKINS: I said in respect of the construction of mills for the purpose of encouraging milling, the duties on those dutiable articles which enter into the construction might be reduced. Do they not do the same thing in eastern

Canada in respect of other structures? And when a great industry is to be established —and it should have been established by the late Administration—then I say it is right, under those circumstances, to take the necessary steps to do it.

Mr. LEMIEUX: Where would my hon. friend put the limit; where would this reduction begin?

Mr. AIKINS: Really it is a question of degree, but where it is necessary for the development of the greatest industry in Canada, our agriculture, that there should be a system by which we could limit the duty or remove it, and thus aid, flour can be carried at a lower cost than our wheat, I do not think that there is any member of this House who would object to a reduction of duty for that purpose. I am glad that the hon Minister of Finance has not closed the door to free wheat against the western farmer but will turn always a willing ear to any reasonable demands and grant them if a greater loss will not result to Canada as a whole.

Another disadvantage to the farmers of the prairie provinces is that the cost of production is higher than that of his wheat-raising competitor across the line, who can purchase his farm implements at a lower price, averaging, I am informed, about 7 per cent. His implements under item 391 of the present American tariff are free, namely:

Agricultural implements: Ploughs, tooth and disc harrows, headers, harvesters, reapers, agricultural drills and planters, mowers, horse-rakes, cultivators, threshing machines, cotton gins, machinery for use in the manufacture of sugar, wagons and carts, and all other agricultural implements of any kind and description, whether specifically mentioned herein or not, whether in whole or in parts, including repair parts.

To the extent of the the lesser price which the American farmer has to pay, he has the advantage of the Canadian producer. The Minister of Finance in his Budget reduced 'binders, reapers, harvesters and mowers' from 17½ per cent to 12½ per cent. To the extent to which this reduction will reduce the price to the farmer, he is correspondingly thankful but if the manufacturers should endeavour to absorb that reduction in duty, the farmer will look to the Minister of Finance to protect him.

The reason assigned why the Canadian farmer of the West is not placed on an equality with his American competitor is that it would cripple the manufacturer of agricultural implements in the East. Why do I say East? Because the small factories in Winnipeg and Brandon can scarcely be said to be general factories of agricultural implements. The factories of any substantial size and output are in the east of Canada and so the farmer of the West claims that for the benefit of the eastern manufacturer he is obliged to pay the charge for long transportation and to that extent he is also at a disadvantage with the farmer in the East who not only gets his machinery at a lower price but has the benefit of the industry and home market created by that industry.

These matters I have mentioned for the consideration of the Government. During the last fifteen years the late Administration did practically nothing to establish manufacturing industries in the West. Had they done so, conditions in the West would have been more prosperous and not so depressed. But as I have said, that Administration had no faith in our National Policy, and consequently they wore it like an unfitting garment, handled it as a tool to which they were unused, and, like a poor workman, complained of it. We know that the right hon. leader of the Opposition (Sir Wilfrid Laurier) was in the Mackenzie Administration, which was a free trade Administration, and that he imbibed and absorbed the principles of free trade. They were in 1878 defeated in the country and the National Policy, a protective policy, was adopted. What then happened? Was there a change of faith in him? During the elections intervening between 1878 and 1896, he went through the country preaching continental free trade, commercial union with the United States, free trade as they have it in England, and every time the people of Canada said: We will have none of it, and they defeated him at the polls. He found it was not well to press that too strongly, and he whispered to the manufacturers that the tariff would not be abolished, and, taking advantage of the Manitoba School question and the Remedial Bill, he managed to slip into power in 1896.

Then, what happened? These hon. gentlemen never had a policy which suited them, and they could not then find one. They found that they had no national garment to cover their political nakedness, so they adopted the National Policy as their garment and protection as their system. They had no love for it, they would like to have escaped from it, and not being accustomed to it, and disliking it, they did

not apply it to developing western Canada. They never established, or encouraged the establishment there of great industries as they should have done under our National Policy. The purpose of the National Policy is the creation of home markets. No home markets, during the whole of their Administration were established in the West save one, and that is mainly in the city of Winnipeg. That was done by the industrious, energetic and enterprising city itself in acquiring cheap power. Who did that? The late Administration? No, the city had to finance to the extent of $6,000,000 in order to provide that cheap power; they did it independently of the Government, which during all the years of its Administration did not have any love for the province of Manitoba. They not only did not establish industries there but to a large extent they sacrificed water powers.

When the late Administration had been in office some time they thought they would tear a hole for the United States in the National Policy garment which they wore, present it to the country and say that it is unfit for the people of Canada. Then they thought they would put a patch on it to cover that tear and the patch which they attempted to put on was the reciprocity agreement. The people saw the garment, they knew that it was not the true policy which was intended for the development of the Dominion and they said: We will have nothing to do with those who would undertake to add to the garment and they thrust them over the crystal battlements of public opinion into the abyss in which they are now seething. When we look at them in the chasm in which they are we find the hon. member for Red Deer (Mr. Clark), who has always carried his little ladder of free trade, leaning it up and trying to scale the wall and get back into public approbation. We find the hon. member for Moosejaw (Mr. Knowles) trying to support him. We see other hon. members equally puzzled as to how they are going to escape from the pit. We find also that the right hon. leader of the Opposition has a free trade ladder which he has never abandoned and that he is trying to splice onto it some protection and thus get back into power. When he makes a speech to the people of the city of Hamilton on a policy for Canada his policy is to have free food. He does not say that in the West where the farmer knows well that free food means the cheapening of the prices of the things which he produces. He may whisper to the manufacturers: Do not worry we will look after you but when he goes West he says: We are going to get a better market for the wheat of the West; we do not want to keep the market of the East for your wheat, we are going to give you the United States market. Let us see what some other hon. members are thinking or saying in respect to that also. The hon. the junior member for Halifax (Mr. A. K. Maclean), their high priest of finance, has also expressed himself on this question. I would like to know why this anxiety on the part of the hon. gentleman that the farmer of the West should have freedom to sell his wheat in the American market. The hon. gentleman has stated it very clearly in his speech, and I desire to call the attention of the farmers of the West to it. At page 2592 of 'Hansard' he says:

> When the western states were heavy exporters they were able to dispose of their products in the eastern states with the result that the eastern farmer felt the competition. That will be the result in this country if the West develops in the production of agricultural commodities as I believe and hope it will. It will be to the advantage of the eastern farmer, therefore, if the farmer of the West has an outlet in the western or middle western states so that there he may find a consuming market for his surplus products.

How generous the hon. gentleman is. He does not want a market for western products in eastern Canada, although the factories and the home markets are established in eastern Canada. He further said:

> I ask, have we not reached a stage when we might, for the benefit of the consumer, place foodstuffs upon the free list.

What is the meaning of that? He says he wants to give good markets to the farmer, and yet he would place foodstuffs on the free list. In other words, the hon. gentleman would give to the Canadian farmers in the markets of Canada the competition of all the world, and so reduce the price of farm products in Canada. He says further:

> The purchasing power of the people of the Canadian West would be all the greater if they were selling their wheat in the United States alone and not anywhere else in the world, and they would only do it, if they were doing it to a greater advantage than by selling their wheat elsewhere. Consequently the purchasing power of the producer would be increased and the imports of the West would be much greater.
>
> It would mean higher grade of railway traffic and the net result would be that the Canadian railways would be better off than in hauling low grade traffic such as wheat.

What he means is, that he wants the western markets for the manufactured products of the East, but he does not want the western farmer and producer to find a market for his products in eastern Can-

ada. Is that fair? And yet that is the policy of the junior member for Halifax. And then, what says the hon. member for Assiniboia (Mr. Turriff)? Thus it stands written:

> If you want to help the manufacturer make a market for him at home; put money into the pockets of the farmers so that they can buy and pay for the goods of the manufacturer.

Thus what the hon. member for Assiniboia says to the farmers of the West is: sell your wheat in some other market than Canada but do not go into any other market for the purchase of your manufactured goods; take them from eastern Canada. The hon. member would remove protection from the farmer but keep up protection for the manufacturer. Is that a reasonable policy? The burden of his argument was at that moment that the farmer should be enriched by getting a good price in the States for his products, so as to pay the protected Canadian manufacturer a high price. But on the very same page of 'Hansard' the hon. member says:

> Why not take off the duty and give the people a chance to get cheaper food?

Does he say that in Assiniboia? Does he tell the farmers of Assiniboia that they should compete with all the other nations of the world even in the markets of Canada, and so lower their prices? Let him say it in Assiniboia; and, perhaps he will be a little discouraged over the result.

I do not think I need go farther into the fact that hon. gentlemen opposite have really no policy, but are at odds and ends among themselves, ill at ease as to what policy should be pursued by them. The proper policy for Canada, I submit, is, in the first instance, to protect and promote the agricultural industry and thus bring the greatest possible profit to the farmers and people of Canada. Canada is an agricultural country, it was made so by nature, and the people should accept it that way. Why, then, endeavour to make other things commercially profitable by artificial means, and not first develop our great national industry of agriculture.

How far did the late Liberal Administration aid agriculture in the West or anywhere in Canada? The contribution of the Liberal Government, during the last year it was in office, 1911-12, to agriculture, amounted to $1,489,973, whereas the present Government, in the year 1912-13, raised that amount to $2,436,103, and in 1913-14 this Government voted $2,635,000 for agriculture. And how did the late Liberal Administration attempt to benefit the agricultural industry through a tariff? The Liberals now say the farmer should get free agricultural implements, but did they say that in 1911, and did they intend to do that in 1912, or 1913, or 1914? How saith the book? We find in the reciprocity agreement that ploughs, tooth and disc harrows, harvesters, reapers, agricultural drills, and planters, mowers, horse-rakes, cultivators, threshing machines, including wind-stackers, baggers, weighers, and self-feeders therefor, and finished parts thereof imported for repair of the foregoing, were to have a duty of fifteen per cent ad valorem, and that portable engines, potato diggers, feed-cutters, grain crushers, fanning-mills and the like, were to bear a duty of twenty per cent ad valorem, and farmers' wagons and finished products thereof, were to be dutiable at twenty-two and a half per cent ad valorem. And was that tariff on these articles to be only temporary? How again saith the writer? We find it stated here in the reciprocity agreement assented to by the Liberal Government of that day:

> If this agreement is confirmed, it is expected to remain in operation for a considerable period. Only this expectation on the part of both Governments would justify the time and labour that have been employed in the maturing of the proposed measures.

And so they were going to fasten that duty on agricultural implements on the farmers of Canada, eternally and subject to the whim of the United States tariff legislation. But now they propose free agricultural implements. The hon. member for Westmorland (Mr. Emmerson) knows the maxim in law: it is not what is said, but what is done, that is to be regarded—non quod dictum, sed quod factum est inspicitur. What did the Liberals do when they were in power? That is the test. The member for Westmorland will remember that when they attempted to introduce Greek culture into ancient Rome they sent to Athens to buy some beautiful marble statues. The Greeks were good business men, and if there was a little break or crack or defect in those marble statues they used some of the finest wax, exactly like the marble, and so covered up the cracks or defects. But it was not long until the Romans discovered this, and they put these statues near the fire; the wax melted in the test, and they were discarded; only these statues which were without wax (sine cera), those which had sincerity, were then accepted by the Romans. Now, Sir, the Liberals have attempted to sear with wax

the defects in their performance, their production, so that the people may not see them, but the people have put those to the test and found them wanting; they have rejected the Liberal works, and the Liberals, for they are not sincere, and the people know it.

Mr. EMMERSON: Is not that unparliamentary?

Hon. GEO. E. FOSTER: Not under the circumstances.

Mr. AIKINS: As they are known to be without sincerity in their promises, when they offer free agricultural implements or free wheat, they are not taken seriously. The farmers of the West know pretty well the source from which those offers come and say: 'Weighed in the balance and found wanting.'

I desire to call the attention of the House to the following figures to show the importance of agriculture:

Agricultural Exports.

	1912	1913
Grain..	$ 68,427,932	$97,941,341
Grain products—flour, etc....	16,956,870	20,833,371
Seeds, including flax..	4,000,023	17357,056
Totals	$107,143,357	$150,145,661

What about manufactures? Our export of manufactured goods in 1912 was only $35,-838,284; in 1913, $43,692,708. That shows that Canada must depend for its prosperity largely upon its agriculture and not upon its manufactures. Therefore, as agriculture is the main industry of this country, instead of the National Policy being interpreted, as it was interpreted by the late Administration to mean simply the protection of manufactures, it should signify a system by which the Government through direct legislation undertakes the development of all its commercial, industrial and natural resources in all parts, for the benefit of the people. It seems to me that instead of magnifying manufacture, we should magnify agriculture, and make manufacture only auxiliary and ancillary to agriculture as the chief industry of Canada. It is the chief means by which Canada is to pay its debts and pay for its imports. Therefore it should be the first care of the Government.

What did the late Administration do in respect of benefiting the West by railway construction? We find that they gave subsidies to the Edmonton, Yukon and Pacific railway of $91,200, and to the Canadian Northern Railway Company, Swan River line, of $374,606, making a total of $465,806. They built about 90 miles of the National Transcontinental railway. Putting that at about $20,000 per mile, the expenditure would be $1,800,000. They expended for the Transcona shops $4,500,000; for the Hudson Bay railway, expenditure towards construction $489,250, making a total of $7,255,056. That was, I believe, all that they did for the Canadian West in direct contribution. They made a loan to the Grand Trunk Pacific of $10,000,000, which will be paid back. They guaranteed bonds for the Canadian Northern railway, the Canadian Northern Alberta railway and the Grand Trunk Pacific to the extent of about $50,000,000; but those guarantees will be redeemed and will never become an obligation on this Government—why? Because the people of the West will provide the money. What did the late Government do in respect to the construction of railways in the three prairie provinces? They left it to those provinces to construct their own railways—with what result? We find that Manitoba gave in subsidies and guarantees $25,076,-399.75; Saskatchewan in guarantees, $33,-735,000, and Alberta in guarantees, $45,489,-000; making a total of $100,300,399.75. They had led the people of eastern

5 p.m. Canada to suppose they were doing great things for western Canada. They were not, but aided the East. I submit that in respect of the development of western Canada, they neglected the West, in which they now pretend to have such great interest, more than any other part of Canada. The people of the West have discovered that the late Administration neglected the West. That Administration gave direct railway aid to those three provinces of about $7,000,000, as I stated, but the whole expenditure on all the Dominion railways was $465,433,458. The right hon. leader of the Opposition says: We built the Transcontinental railway for the benefit of the West of Canada. They built it where? Through the eastern portion of Canada. When one considers the awful debt that will be incurred by the construction of that railway, amounting to over $230,000,000—when one considers the fact that that burden will lie upon the people of the prairie provinces, as well as upon the people of eastern Canada, to work out their share of the debt—one will see that it will be a millstone eternally about the neck of the people of our western provinces. $200,000,000 at 3 per cent means an expenditure of $6,000,000 a year, which will have to be paid for some years, amounting

every working day to almost $20,000. Who is to pay for this? The West, in high freight rates.

Mr. EMMERSON: Is not the Grand Trunk Pacific being paid very largely out of the current revenue account, so that it is not an indebtedness?

Mr. AIKINS: The Grand Trunk Pacific in the prairies has not received any aid from the Government except by guarantee debentures. If my hon. friend refers to the National Transcontinental—

Mr. EMMERSON: The National Transcontinental.

Mr. AIKINS: That is a different matter. My hon. friend suggests that it is out of revenue. Does it make any difference how Canada pays it? Just consider also the duty which has been paid on the material that has gone into the road, which is being charged up to Canada, and which remains a debt upon Canada, to be paid somehow. Think of the liabilities of Canada which might have been wiped out by the money which was put into the National Transcontinental; and if that $200,000,000 had been spent in the West, as it might have been, I think the West would have prospered and the East would have prospered—Canada would have prospered. Now Canadians will have to bear the burden of an unnecessary railway.

For, let me call the attention of the hon. member for Westmorland to this fact: Canada had a line of transcontinental railway constructed and in operation before the National Transcontinental was thought of. That railway was built along the north shore of lake Superior, and all the work that was required to be done in carrying grain out of western Canada that railway did successfully. Never at any time was there a block in the carrying of the grain save once, and that was in the year 1912, when much of the grain was damp, and it was necessary to send it out by rail in order that it might reach the market before summer heat, as there was danger of it being destroyed by warm weather; and so it had to be carried in the winter, when there was snow and ice on the rails. That line, the Canadian Pacific railway, 2,900 miles in length, was constructed at what cost? Like the hon. member for Calgary (Mr. R. B. Bennett) I was once counsel and solicitor for the Canadian Pacific railway. We are entirely separated from it now. I happen to have ascertained some facts, and I do not think it is a breach of confidential communication to state those facts. That railway, constructed partly by a Conservative Administration, including the line north of lake Superior, or the eastern section, and the Onderdonk portion of the Pacific section, was constructed at a cost to this country of $35,000,000. The proceeds of the land grant yielded $13,500,000, and there was a cash subsidy of $25,000,000; some portion of the land grant was subsequently redeemed for about $6,000,000, the total amount being about $31,000,000. They realized, on the sale of their $65,000,000 of stock, about $30,000,000.

Mr. LEMIEUX: And what about the customs duties?

Mr. AIKINS: Yes, and we will take that into consideration too, if it will please the hon. gentleman to wait. They borrowed $44,250,000. This makes a total of about $153,750,000. Add, if you like, the customs duties, and make them high, and let us assume the cost of this 2,900 miles of railway to be $175,000,000. Then contrast that with the 1,804 miles of the National Transcontinental, which will cost about $234,000,000.

Mr. EMMERSON: Which one does Canada own?

Mr. AIKINS: Which railway does Canada own? Does it own the National Transcontinental? It should have, if it was really a benefit to Canada. It has agreed to hand it over to the Grand Trunk corporation. In no event would it be proud of its possession. But there is this further point: Though this one railway, the Canadian Pacific railway, has been sufficient generally for the traffic between the east of Canada and the west of Canada, yet the late Administration guaranteed the bonds of the Canadian Northern railway, I understand, to the extent of $35,000,000 north of Superior. Then although, I am told, it would have been quite possible to have joined the Canadian Northern railway and the Grand Trunk railway to provide a second transcontinental line, the late Administration did not do so; and, knowing that there would be a second line, the Canadian Northern railway, they undertook to build the National Transcontinental, at such tremendous cost to the people of Canada as to make it a profitless undertaking. I venture to say that this National Transcon-

tinental will never, in our time, prove profitable in operation to Canada. It might be better, almost, for the present not to contemplate its operation, rather than continue that which must be a constant obligation on the people.

Mr. LEMIEUX: With the permission of the hon. member, I desire to ask a question. The hon. gentleman has given the figures for the construction of the Canadian Pacific railway in the 'eighties.' Has he had the benefit of consultation with my hon. friend from Calgary as to the amount spent by the Canadian Pacific railway since that time in rebuilding that line? That should be added.

Mr. AIKINS: Let us look at that. Why should we consult about a thing in which we have no concern? The Canadian people were not under obligation to pay for those improvements; and did not, and that line has been so economically administered that, though what hon. gentlemen opposite would call a 'degraded' line in comparison with their National Transcontinental I assume—I do not know—it has earned enough to pay for improvements which have not cost the country one dollar.

Mr. LEMIEUX: But what have they cost the corporation?

Mr. AIKINS: That is a matter for the corporation to say. I am not in their secrets; I am not now connected with that company, and have not been since my election to this House, nor is my hon. friend from Calgary. But I may say, and you know, that whatever improvements have been made on that road have not been paid for out of the public treasury.

What has the present Administration done for railways in the West? They are building the Hudson Bay railway, and on the 24th of March, 1914, there had been paid out on account of construction $5,192,625. Further, they have given a guarantee of the Canadian Northern railway Alberta bonds to the amount of $3,570,000. So, you can see the improved treatment that has been given to the Prairie provinces by the present Administration as contrasted with the neglect and indifference of the late Administration.

What has the late Administration done in respect of the natural resources of the West? I will not speak again of the water-powers of Canada, nor shall I refer to the wasteful administration of public lands, a matter to which I may refer on some other occasion. What do we in the West hope this Government will do in respect to the trade of the West? We hope they will place a duty upon corn. 6,207,698 bushels of corn were imported into Canada during the fiscal year ending March 31 1913, and 12,684,965 bushels during the fiscal year ending March 31, 1912. If the Government wishes to benefit the people of the West they can put a duty on corn. The barley and other grains of the West are just as good for fattening cattle as the corn we get from the United States; why should not eastern Canada help western Canada to the extent of taking their barley and oats instead of American corn?

Another matter which I desire to bring to the attention of the present Administration is that they should encourage the growing of flax and the development of industries for the production of flax fibre. This matter is, I believe, under the consideration of the Government. If the flax fibre industry is supported and encouraged, as I hope it will be by the present Administration, the people of the West will be greatly benefited by their getting a market for their flax, and flax straw and will be able to buy cheap binder twine, which will then be manufactured in the West for the purposes of the farmers of the prairies.

A sentiment which is sometimes expressed in the newspapers as well as upon the floor of this House is set forth in the following newspaper clipping, which has reference to the recent speech of the hon. member for Assiniboia (Mr. Turriff):

> What he means is that they—
>
> The farmers and grain growers of the West—
>
> —are not given an opportunity to add to their already well-filled purses at the expense of the other citizens of the Dominion.

A mischievous suggestion. I attribute very largely the sentiment said to prevail in the East to the fact that the late Administration was telling the people of the East what they had done for the development of the West and for the benefit of western people. Let me mention in this connection a few facts. The following statement shows the revenues received by the Dominion Government in the provinces of Manitoba, Saskatchewan and Alberta, and the amount of expenditures, not including capital expenditures, which the Dominion made in and on account of these provinces during the fiscal year ended March 31, 1913:

Revenues.

Customs revenue, less drawbacks and refunds	$20,689,883 82
Excise revenue	2,351,497 25
Post Office revenue	3,578,997 53
Dominion Lands revenue, deducting expenditures	939,402 71
	$27,559,581 31

Expenditures.

Customs—Salaries, etc	$ 420,369 79
Inland Revenue—Salaries, etc	52,559 09
Post Office	3,156,123 51
Mounted Police	665,725 98
Administration of Justice	220,579 39
Penitentiaries	203,066 80
Public buildings	735,257 93
Harbours and rivers	146,041 53
Dredging	50,139 70
Telegraph lines	53,613 53
Immigration—Expenses in western Canada, in United States, Great Britain and Europe	721,735 00
Indians	856,797 00
Agriculture	467,378 80
Subsidies	6,458,851 65
Proportion of general expenditures, including legislation, civil government, militia, interest on public debt, Naval Service, sinking funds, etc., estimated on basis of population	6,920,867 43
Total receipts	27,559,581 31
Total expenditures	21,119,087 04
Balance to the credit of the West	$ 6,440,494 27

Most of the imports at Fort William and Port Arthur are for consumption in the prairie provinces, and if, to make a liberal allowance, one-third of the goods imported through these ports, mainly coal (the proportion may be less than that), is consumed in these towns and by the population of Ontario west of Fort William and on the railway, we have this result:

Total duties paid.

Fort William	$2,064,383 61
Port Arthur	887,308 91
	$2,951,692 52
One-third allowed as above	983,877 50
Paid by prairie provinces	$1,967,815 02

The total duties paid on imports of sugar through British Columbia ports for the year amounted to $1,015,775.86. Deducting the proportion for British Columbia, estimated on the basis of population, $233,628.25, leaves $782,147.61.

I have spoken to business men, both east and west, and they think that of goods used and consumed in the West, say on manufactured articles imported into the East and then shipped west, on railway material used in the West and on articles entering into manufactures in the East and shipped west, there would be at least one-half as much more duty paid in ports east of Fort William as at ports in the prairie provinces by the people of those provinces, amounting to $10,344,841.41.

Let me summarize:

Receipts.

Receipts collected directly in prairie provinces, as per statement	$27,559.581 31
Approximate proportion of duty paid on sugar entering British Columbia	782,147 61
Approximate proportion of duties paid on imports, Fort William and Port Arthur	1,967,815 02
Approximate proportion of duties paid at eastern ports	10,344,841 41
	$40,654,385 35

Expenditures.

Expended directly from income in prairie provinces as per statement (including proportion for civil government, etc.)		$21,119,087 04
Terminal elevator at Port Arthur		473,578 80
Capital account—		
Hudson Bay railway	$1,099,063 15	
St. Andrew's rapids	36,904 62	
		1,135,967 77
		$22,728,633 61
Receipts		$40,654,385 35
Expenditures		22,728,633 61
Surplus to the credit of the prairie provinces		$17,925,751 74

The per capita share according to population of payments into revenue by those three prairie provinces would, according to the census of 1911, be approximately $33,500,000 for 1913. When one considers the rapid increase of the population during the years which have elapsed since 1911, and when one considers that the people of the West consume more dutiable articles, products, than the people of many of the other provinces, the estimate of $40,000,000 is practically correct.

Let me now come to the years of administration of the late Government. The following is a statement of the receipts and expenditures in the prairie provinces for the fiscal year ended March 31, 1912:

Receipts.

Receipts collected in prairie provinces directly	$19,551,769 58
Approximate proportion of duties paid on imports, Port Arthur and Fort William, two-thirds.	1,643,314 19

Approximate proportion of duties paid at eastern ports, one-half		$7,044,343 71
Approximate proportion of duties paid on sugars entering British Columbia		591,415 80
		$28,830,843 28
Expenditure.		
Ordinary account (including proportion of civil government, etc.)		$16,040,495 51
Capital account—		
St. Andrew's rapids	$ 50,939.49	
Hudson Bay Ry	159,632.00	
		210,571 49
		$16,251,067 00
Receipts		$28,830,843 28
Expenditure		16,251,067 00
Approximate surplus to the credit of the prairie provinces		$12,579,776 28

I will give a similar statement for the fiscal year ended March 31, 1911:

Receipts.		
Receipts collected directly in prairie provinces		$15,781,467.36
Approximate proportion of duties on imports through Fort William and Port Arthur		803,803.60
Approximate proportion of duties paid at eastern ports		5,188,997.02
Approximate proportion of duties paid on sugars imported through British Columbia		505,846.11
		$22,280,114.09
Expenditures.		
Expended directly from income in Prairie provinces (including proportion for civil government, etc.)		$13,999,251.21
Capital account:		
Hudson's Bay railway	$184,149.81	
St. Andrew's rapids	55,174.36	
		239,324.17
		$14,238,575.38
Revenue, approximated		$22,280,114.09
Expenditure		14,238,575.38
Approximate surplus to the credit of the prairie provinces		$8,041,538.71

The amount, it will be observed, expended directly from income in the three prairie provinces was $13,979,000, which, after adding capital expenditure, consisting of Hudson Bay railway, $184,148, and St. Andrews Rapids, $55,174, leaves a surplus of $8,041,538, not used in the Prairie provinces. And yet the hon. members of the Opposition are saying: Oh, how badly the West is treated by the present Government. Let them look at their records!

[Mr. Aikins.]

Mr. MARCIL: Has the hon. gentleman the figures of 1896 to compare with those of 1911? The figures of the progress of Canada during fifteen years would be very interesting.

Mr. AIKINS: I have here the expenditures of the late Government made in the West on capital account in these earlier years, not including expenditures on Dominion lands. The Government of Canada have received from the sale and leasing of Dominion lands over $42,583,162. They have expended something in respect of surveys and necessary expenses of sale and the like of that, which would be paid out of the ordinary receipts from Dominion lands. But I venture to say that the $42,583,162 received from the public domain in those three prairie provinces will not only pay back what was paid to the Hudson Bay Company, $1,460,000, but will also pay for the whole administration of that domain, with interest.

In the year 1897, under the late Government, there were no expenditures in the West on capital account, save for Dominion lands. In 1898 and 1899 the same thing was true. In 1900, there was the magnificent capital expenditure on the St. Andrews rapids of $6,501. In 1901, $15,000 was spent on capital account; in 1902, $9,584.76; in 1903, $62,000; in 1904, $17,000; in 1905, $4,014. In 1906 there was expenditure on Dominion lands and no other expenditure. In 1907 there was an expenditure on the St. Andrews rapids of $97,213, and in 1908 an expenditure on the St. Andrews rapids of $261,000. In 1909, there was an expenditure of $300,000, and in 1910, of $53,000. I have already given the expenditures for 1911 and 1912. What magnificent expenditures made by the recent Government for the benefit of the people of western Canada! In 1911, out of a surplus of over $8,000,000 from the prairie provinces, they spend in them $239,324. In 1912, out of a surplus of $12,700,000, only $201,571 was spent there. In 1913, out of a surplus of $17,925,000, only $1,135,967 was spent there. Are they not proud of their record? How grateful the farmers of western Canada should be for the marvellous consideration given to them by the late Administration.

Mr. MARCIL: Does the hon. member not take into account the large sums expended by Canada to open up western Canada and to bring the tide of population that has flowed into the West?

Mr. AIKINS: What expenditures were made to open up the west of Canada?

Mr. MARCIL: Were not a million people brought into Canada in the last fifteen years ?

Mr. AIKINS: But how brought ? Over the railway and steamships routes.

Mr. MARCIL: Through the action of the Canadian Government and people in voting the money.

Mr. AIKINS: They voted the money out of revenues no doubt received from western resources. Moreover, Canada received millions of dollars out of the western trade. I am glad the hon. gentleman has spoken, it shows that he has the same conception that other people have in respect of what the East is said to have done for western Canada. It has been stated in this House and out of the House that the people living to the east of lake Superior have made great sacrifices for the benefit of the West. How? Well, it is stated, did we not build the Canadian Pacific railway? Think of that, hon. member for Calgary! Did the people of the East not build the Canadian Pacific railway? I have pointed out what was expended on the Canadian Pacific railway and how it was provided for. I say more, the people of western Canada are bearing the burden of the cost of the Canadian Pacific railway just as much as the people of eastern Canada. Look what western Canada is doing for eastern Canada. We know it cost Canada about $8,790,000 to build the railway on Prince Edward Island, and about $97,138,379 to build the Intercolonial. As well might the people to the west of lake Superior say: Look what we are doing for the people of the East; we have put our shoulder under the burden of the people of the East and we pay our proportion of the cost of those railways without the slightest complaint. Look at the enormous debt we have in Canada. We have been paying our way in the West and have been contributing also to all the old debt of Canada. Yet they say: We built for you the National Transcontinental railway. Did they? Where is that National Transcontinental railway built? It is 1,804 miles in length, and for 1,700 of those miles it is in eastern Canada. For what? So that the people of the east of Canada might send their manufactured articles to the west of Canada. Wonderful generosity! I have already pointed out that the National Transcontinental railway was not built alone for the eastern and western traffic. The right hon. gentleman who is leader of the Opposition has told us that one of the great purposes of the National Transcontinental railway was to develop that splendid valley of 700 miles in length and 200 or 300 miles in width that lies in the northern part of the great province of Ontario. Is that for the benefit of the people of western Canada? Let the people of the East bear their own burdens and perform their own duties in respect of them, but do not debit to the people of western Canada a liability which is of no benefit to them but will be a continuous burden there, that National Transcontinental railway. They say we in the East built for you—hon. gentlemen in this House have said this—the Canadian Northern railway, and what have we done in return for that? Let me say that the subsidies given by the Dominion to that system were given to the Canadian Northern Ontario railway and not to the Canadian Northern Western railway. I have given you the details of that. Moreover, some of these gentlemen have the complacency to say: Look, we are building for you an elevator in Calgary—think of that, hon. member for Calgary! We are building an elevator in Moosejaw, and all of this is being done at the expense of the Dominion for the people of the West. All of this has been paid, as I have pointed out, out of the revenue contributed by the West, leaving the immense surplus which I have mentioned used elsewhere in Canada. They say, too: We are building for the people of the West a terminal elevator at Fort William, and, more, a terminal elevator at Montreal. Think of these great sacrifices the people of the East say they are making for the benefit of the poor farmer of the West! God help the poor farmer if that be the conception that some people of the East have in respect of justice to him! The farmers of the West are manly men and free, not bondmen. They come not as suppliants to the East. They say that the late Administration never did perform properly its duty towards the West, that it did not understand the system which was provided for the purpose of establishing industries and developing those western provinces and that they are suffering in consequence of that neglect.

I shall not continue my remarks concerning this matter except to say that the farmers of the West are kindly disposed towards the East and that all the people of those prairie provinces are as real Canadians as those who are living in the East. They possess the Canadian spirit,

the spirit of freemen, the spirit of independence, the spirit that takes alms from nobody but they demand that they shall be freed from all inequality with the people of the East. They know their rights and knowing, dare maintain them. They say: Let no injustice be done, give us a fair chance for a living; place us in conditions where our industry and intelligence can create prosperity and we shall then show to the people of the whole of Canada that we can raise produce enough to pay our way and to help the East to pay off the debt of old Canada, we will quit ourselves as men.

Mr. WILLIAM A. BUCHANAN (Medicine Hat): Mr. Speaker, my hon. friend from Brandon (Mr. Aikins), who has just taken his seat, is a distinguished lawyer, a man who has had a wide experience at the bar in pleading cases with a good foundation and with a bad foundation, and I think today that he has shown himself to possess very much the character of the lawyer who, when he did not have a good case, started in to criticise and attack the other side.

Mr. AIKINS: Does not the hon. gentleman, to some extent, agree with the views that I have expressed concerning wheat and agriculture?

Mr. BUCHANAN: What I want to deal with in regard to the hon. member's remarks concerns his statements with reference to the Government's attitude on wheat and the reduction of the duty on agricultural implements. But before coming to that I would like to point out a few things for the consideration of the hon. member. He has lived in western Canada a good deal longer than I have and he knows something about the history of that country prior to 1896. And he knows something about the history of western Canada from 1896 to the present time. He knows that western Canada was stagnant prior to 1896 and that it did not commence to develop until the Liberal party came into power in 1896 and introduced a progressive immigration policy. The people who have come into western Canada in recent years have come as the result of the immigration policy of the Liberal Government and the development of western Canada is due to the policy of that Government. When that Government saw the hundreds of thousands of farmers whom they had brought into that country were producing more grain than was needed in Canada and the motherland they were wise enough to introduce a trade measure which would have been greatly to the benefit of these people, which would have increased the prosperity of Canada and would have been an inducement in bringing more settlers to the country. When my hon. friend speaks of the record of the late Government and says that they did little or nothing for western Canada, I want to say to him that there was practically no western Canada until the time when the Liberal Government party came into power in 1896.

The hon. gentleman also asserted that the Liberal Government had done nothing to encourage industries to go to western Canada and establish themselves there. Let me tell him that a great many industries have gone into western Canada in recent years, but they have been the industries that were warranted by the conditions existing in that country. They have been the industries which could utilize the raw materials which are at hand in western Canada. The Conservative Government have been in power since 1911, and I would ask the hon. gentleman what this Government have done to encourage industries to go into western Canada. They have done nothing more than the late Government did from 1896 to 1911. Industries will go into western Canada when the people are prosperous, when the land is settled, and when there is a market for their products. This Government, in order to induce people and industries to go into western Canada, must adopt a policy that will bring about contentment and prosperity.

Another thing that I thought was somewhat unfair towards the late Government was the hon. gentleman's statement that they had done nothing to reduce freight rates in western Canada. In the second session after the Liberal party came into power in 1896 they provided for the construction of the Crowsnest railway, and there was some provision in the statute under which freight rates were regulated and under which the rates were reduced as compared with what they had been in the past. That Government also established the Railway Commission, and what other achievement is it necessary for me to refer to on the part of the late Government than the establishment of the Railway Commission, which has done more to regulate the railway rates and to remove the grievances of the people with

respect to the transportation question than anything that was ever done during the entire regime of the Conservative party from 1878 to 1896?

Mr. AIKINS: I would ask the hon. gentleman if the Railway Commission is for the benefit of the whole of Canada and not particularly for that of western Canada.

Mr. BUCHANAN: It certainly is for the benefit of the whole of Canada—I admit that—but at the same time it has done a great deal for western Canada. The hon. gentleman speaks as though the Railway Commission had done nothing whatever for the relief of western Canada. What about the recent decision in the freight rates case before the Railway Commission? That was a victory for the two Liberal Governments of western Canada—the Governments of Saskatchewan and Alberta—who engaged counsel to appear before the Railway Commission and present the case for these provinces. As a result of that there has been a very substantial reduction in rates. The Liberal Governments of these two provinces are entitled to every credit for making the case so strongly before the Railway Commission.

The hon. gentleman has no use for the National Transcontinental railway. But it seems to me that the existence of the National Transcontinental railway has had something to do, and will have something to do in the future, with bringing about a reduction in railway rates and that competition which we so much need in western Canada. The Liberal party looked many years ahead when they decided upon the policy of creating the National Transcontinental railway. They were far-seeing enough to believe that western Canada would have a population of millions of people in a very few years if their immigration policy and their proposed tariff changes were carried out. They saw that this railway was a necessity and they brought it into existence. History will prove that the Liberal party did a wise thing in inaugurating that great railway policy, and history will also prove that the road will be of inestimable benefit to both western and eastern Canada.

Now, I want to deal with some points in reference to matters of vital interest to western Canada. The tariff changes which have been brought down bring no cheer to the people of the West. I do not want to speak in this House from a sectional standpoint. I am a Canadian, I live in western Canada, but I was born in eastern Canada, and I am just as anxious for the development of the East as I am for the development of the West, because I believe that the development of the whole country is the best thing for Canada, for the West and for the East. That is the attitude I want to take in discussing these matters this evening. We in the West have complaints, and complaints which are justified by existing conditions, and I am surprised to find some hon. gentlemen opposite belittling them. From 1896 to the present day, the development of western Canada has been the cause of the prosperity and development of the rest of Canada. If there had been no settlement going into western Canada from 1896, or if there had been only the same amount of settlement that there was between 1878 and 1896, what would that have meant to eastern Canada? It would have meant that in eastern Canada there would have prevailed the same conditions which prevailed between 1878 and 1896, conditions of stagnation. I maintain that the bringing into western Canada of thousands and thousands of people from all over the world to cultivate the fertile lands of that part of the Dominion, has done more to bring about industrial prosperity in Ontario, Quebec and the Maritime provinces than has any protective tariff that ever existed in this country. I believe that the policy of bringing people in to settle on the land was the cause of our prosperity. If we are to have continued prosperity, such a policy must be continued, and more people must be put on the vacant lands of the West. It will be said by people in the East that the West has depopulated eastern Canada, and especially the rural parts, to a very considerable extent. But how much better is it for Canada that the people of the East should inhabit the West, than that Canadians should migrate to the United States, as was the unfortunate condition prior to 1896. I maintain, that the policy of settling the West with people from eastern Canada, and with former Canadians who had gone to the United States, and with people from the old land and from central Europe, has been a great benefit to eastern Canada, as well as to western Canada.

The attitude taken by many of our friends on the other side of the House relative to the tariff changes is, in effect, that we should not interfere with the pro-

tection which is given to the Canadian manufacturers, and also that we should not pay any heed to the demands of the farmers for tariff relief. I think that is the line of cleavage between the Liberal party and the Conservative party in this country to-day. It would seem that the manufacturers can go to this Government, present their case, and convince the Government, without any difficulty, that what they say is right, and what they ask for will be done by the Government. But when the representatives of many thousands of farmers come to Ottawa and present their case, asking for tariff relief, their requests are not granted because the presentation of the case on behalf of the manufacturers has more influence with the Government than the presentation of the farmers' case. We find that in connection with the demand for free wheat. We are told that free wheat will ruin the milling industry of this country, which is proof that the millers have the ear of the Government to a far greater extent, and have far greater influence with the Government, than have the farmers who ask for free wheat. We are told that the farmers in eastern Canada are not asking for free wheat, but I have met a great many farmers in Ontario since I came down to the session of Parliament—I happen to have met a good many more Liberals than Conservatives—and I find they are all in favour of free wheat. I think that probably the sentiment of the farmers of Ontario is just as strongly in favour of free wheat as is the sentiment of the western farmers. The only trouble with the eastern farmer is, that he is tied up pretty tight with his party, and he follows his party wherever it goes, even if he thinks it is wrong, on reciprocity or on free wheat. But the western farmer is not bound up with any political party, and he is going to stand by the party which stands by the farmers, and stands by the things which he considers are to his benefit. The farmers in western Canada want free wheat, because they believe it would be to their advantage to have free wheat. We were told by the Conservatives during the reciprocity campaign of 1911, that if cattle and hogs were admitted free into the United States it would not mean any improvement for the Canadian farmer. That was the argument of Conservative speakers in western Canada, and I presume they used the same argument in the east. But what do we find? The tariff was removed by the United States, and there was free entrance into the United States markets for cattle and other live stock, and the price of these animals in Canada went up at once, and there was a demand for them in the United States markets. The Minister of Trade and Commerce is a strong advocate of mixed farming, and he often tells us we should adopt that system of farming in the West. I agree with the hon. gentleman that it it is a good idea that mixed farming should be adopted wherever it is practicable, and mixed farming has of late years been largely adopted in western Canada. And, with what result? Last year was the first year in the history of the province of Alberta that enough hogs were raised to supply the local demand in that province, and indeed there were hogs raised in excess of the local demand. In one week, from October 6 to October 13, 1913, just subsequent to the Wilson tariff coming into effect, 50,000 hogs were shipped out of that province to the city of Seattle. Prior to the Wilson tariff, the price of hogs in my district had dropped to about five cents per pound, the lowest price ever reached, simply because the province had produced more, under mixed farming methods, than it could consume within its own bounds, and there was no organization by which the surplus could be shipped out to meet the demand in other parts of the country. But just as soon as the Wilson tariff went into effect, the price of hogs went up to over seven cents per pound. You can readily understand why the western farmer believes in the United States market, and believes that it is to his advantage to sell his products in that market, or at least to have the opportunity of selling in that market, and that is all he asks in connection with free wheat. When the Conservatives tell him that the farmer of the west will not benefit from free wheat, he believes that the Conservatives know just as little about it as they did in 1911, when they said the United States market would be of no advantage to the Canadian farmer for his cattle and hogs and the other live stock he raises. I believe that the Canadian manufacturer, in opposing the demands of the western farmer for free wheat and free agricultural implements, is making a vital mistake. I believe he is injuring himself and that he is jeopardizing the continuance of protection in this country, because when the farmers of western Canada find that every attempt they make to get some advantage which they consider will be of great benefit to them, is opposed by the eastern Canadian manufacturer, who is listened to by the Government which obeys him, they are not going to be content under such a system of Government.

In 1911, if the manufacturers of this country had had the right kind of spectacles on, they would have realized that it was to their advantage to support reciprocity, because it would have met the demands of the western farmer and would have appeased him, and the manufacturers would not have been very much injured, if at all. But they opposed the farmer; they were behind the campaign which caused the defeat of reciprocity, and now they are behind the demand that free wheat shall not be given to the farmers, and that free agricultural implements shall not be provided for the relief of the farmers. By taking that attitude they are antagonizing the farmers and are creating a strong sentiment that will continue to grow in favour of a reduction in the tariff.

Mr. BURNHAM: Does the western farmer want free trade?

Mr. BUCHANAN: The western farmer would like to have free trade just as much as the eastern Canadian people want protection, because the latter consider that protection is to their interest. In western Canada the farmer feels that free trade is to his interest and they believe free trade will not be injurious to the rest of Canada. I am candid enough to admit that, as long as there is a sentiment in this country that our industries cannot exist without a certain amount of protection, we should have a certain amount of protection. But you have to study and endeavour to meet the demands of the people who do not want any protection, who ask that all tariff barriers shall be removed from their industries. Why should one class in this country receive practically all it asks for in connection with the tariff and another class be refused what it feels is necessary for the development of its industries?

At six o'clock the House took recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

CONSIDERED IN COMMITTEE—THIRD READING.

Bill No. 123, to incorporate the Atlin Railway Company.—Mr. Michael Clark.

SECOND READINGS.

Bill No. 151, for the relief of Charles Low Hutcheon.—Mr. Fripp.

Bill No. 152, for the relief of Eleanor Grassett Parkhurst.—Mr. W. H. Bennett.

Bill No. 153, for the relief of William Godfrey Thorp.—Mr. Carvell.

Bill No. 150, to incorporate the Prudential Life of Canada.—Mr. Nickle.

Bill No. 154, respecting the Grand Trunk Railway Company of Canada and The Canada Atlantic Railway Company.—Mr. Fripp.

THE BUDGET.

Mr. BUCHANAN (resuming): When the House rose at six o'clock I was discussing the question of free wheat and I intend to proceed by pointing out some contradictions in the remarks of the hon. member for Brandon (Mr. Aikins) this afternoon—contradictions which have appeared quite prominently in a number of speeches made by members on the Government side. They argue that the free entrance of wheat into the United States markets would not enhance the price in Canada, and they then proceed, as the hon. member for Brandon did, to argue that if we got free access into that market our transportation companies would be injured, and our transcontinental lines practically ruined. The two arguments do not fit in very well, because if the United States market is not worth while, the Canadian farmer can send his grain not to that market but, as usual, eastward to the Atlantic ports. I maintain, however, that the United States is of value to the Canadian farmer; there is no question that the Canadian farmer, especially the western farmer, believes that that market is the most advantageous that is offered for the products of his land. I believe that the transportation companies, if our wheat had free access to the American markets, would thrive just as much, if not more so, than they have in the past, because the more our people get for their grain and for their products the more money they will have to buy the products of the eastern manufacturer and wholesaler. Consequently, if we had free wheat, the trade between the East and the West would increase and the railroads would not suffer. No one is going to argue that all the wheat of western Canada would be sold in the United States markets; a great quantity of it would go eastward as usual. As I have said, I do not see anything in the argument that free wheat would in any way injure the transcontinental railroads, or that the United States market is not of any value to the people of this country.

One thing about the United States market which hon. gentlemen forget is that with the advantage of a market close at hand in which the farmer could sell his wheat if he wanted to, the agricul-

tural and grain-growing industries of western Canada would be stimulated. More markets and wider markets are what the farmer needs, and these would be of great benefit particularly to the farmers of the West. One of the chief points in connection with the free entry of wheat into the United States is that the grades in the United States are unquestionably better than they are in Canada. In that respect there is an advantage to the Canadian western farmer. I have before me a letter addressed to a Canadian newspaper by an American who is largely interested in farm lands in Alberta, and who relates his experience during the past season. In this letter he offers an illustration of the value of the grading in the United States compared with the value of the grading in Canada, and what that grading means so far as increased prices are concerned. Even if there were no difference between the prices in Minneapolis and the prices in Winnipeg, this letter proves—and this has often been proved in the House and throughout the country—that in respect of grading alone the Canadian farmer has the advantage. In his letter this gentleman says:

> The writer was fortunate enough last year to get a bumper crop of wheat on his land in Alberta. He had samples carefully taken from the grain after it was threshed and ready for market and sent to him here in Rochester—

This gentleman, who owns a farm in Alberta, lives in the city of Rochester, N.Y.

> —and submitted it to some of the local millers. They were enthusiastic about the sample and compared it with samples of No. 1 wheat, for which they were paying the highest market price in Duluth and Minneapolis, much to the disadvantage of the United States grain. I asked two or three of them how they would grade the wheat, and they said unquestionably No. 1, with a premium for extra quality; and if there had been no tariff barrier I could have sold several carloads of my wheat direct to Rochester millers, not only getting the premium which they would pay me, but also advertising Alberta wheat in this community as nothing else could do it.
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> The actual result of my attempt to market this wheat in Alberta, however, was to get No. 2 grade on a large part of it, and a price not exceeding sixty cents for most of it on the track at the nearest shipping station. No wonder American farmers who bought Canadian lands on the basis of productive capacity are discouraged when they are confronted with the handicaps placed on their efforts by the present Canadian Government.

In this letter he makes a reference to oats, and I would like to read this because it is important, as showing the handicap under which the western Canadian farmer labours under our present tariff:

> The wheat story, however, is no less aggravating to the farmer in Alberta than the oat situation. I think I cannot be contradicted when I state that Alberta oats are unsurpassed on this continent, both in quality and weight; and I do not know of any part of the world where oats can be produced in greater quantities at less expense than in Alberta. My own oats this year averaged over eighty-five bushels per acre with a weight of over forty pounds, and should command the highest market both for seed, milling and feed purposes. The natural market for Alberta oats is south of the American border, in the States of Montana, Oregon and Washington, where the farmers cannot begin to compete with Alberta farmers in raising oats.
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> The tariff on oats, however, as compared with the market price, is so high that the advantage of the Alberta farmer is practically offset, with the result that I am still waiting for a price net to me of twenty-five cents a bushel on the track at the nearest market point for oats that should command at least thirty-five cents.

That is one of the experiences related by a man interested in Alberta land and farming there. It is merely an illustration of many cases that could be quoted, and is one of the outstanding grievances of western Canada farmers. It is amply established there that the better grade in wheat is a sufficient warrant for the farmer wanting to dispose of his grain in the American markets. Speaking of wheat, we are advised time and again that the salvation of the farmer in western Canada is to abandan grain growing and to go into mixed farming. As I said this afternoon, I am in accord with that idea if it can be practised. Those of us who live in western Canada know that in many parts of that country conditions do not warrant the farmer in going into mixed farming. In other parts of the country he is warranted in doing it but those conditions mean that for practically all time, in certain parts of Alberta and Saskatchewan at any rate, grain growing is bound to be the chief side of agriculture. Naturally the farmers will be looking for markets year in and year out; and there is no possibility of an entire change in farming methods coming into effect throughout all of western Canada that would reduce the amount of wheat and other grain raised in that country and turn the farmers' attention entirely to mixed farming. Even if the farmer did go into mixed farming, and feed his grain to live stock, as I said this afternoon, there would be a marked increase in the production of live stock, the market under normal conditions, would be swamped with western live stock. Just now, owing to the exist-

ence of the Wilson-Underwood tariff, our farmers have entrance to the American market for their cattle; but if that market was not open to them this country would certainly be swamped with the production of live stock from western Canada if the ideal mixed farming conditions were established to offset grain growing.

Mr. ROGERS: Is it not a fact that 75 per cent of the cattle from Alberta find their market in British Columbia to-day?

Mr. BUCHANAN: No, I would not say that, not since the Underwood tariff came into effect, because I know that a large number of cattle from my district have recently been sold in the United States. I know that the Alberta hogs have found their market in Seattle and other Pacific coast points in the United States. I believe the same to be the case with cattle in that country. There is one thing to be said: even if the cattle of western Canada are sold in British Columbia, the fact that we have free entrance to the United States market has improved the price, to a very marked extent. I would point out that free wheat affects not only the farmer of western Canada but every man in business in that country. I do not know whether some of the western members who sit on the Government benches will deny this, but if I am to go by the opinion which has been expressed to me by Conservative friends of mine since this matter has been discussed I would say that if the members in this House of both political parties from western Canada were to vote according to what they absolutely thought to be in the best interest of the farmers of western Canada, they would vote for free wheat and we would all stand together on that particular question. If any hon. members opposite deny that statement all well and good; I would like to have them do so, because it would be a valuable thing for us in their particular constituencies if they would go on record against free wheat. Free wheat is of importance not only to the farmers but to the men in the towns and cities of western Canada. During the crop season we in the West are all concerned about how the crop is coming along, what its prospects are. If we are having a dry season we are very much worried. The same thing is true about the price of wheat. Last year we had an exceptionally good crop but the price was exceptionally low, a discouraging feature to every man in business in that country, because he was looking to a profitable business from the farmers and hoped that with a good crop there would be good prices and the farmer would be able to meet his obligations to the merchants and his purchasing power would be increased. But that was not the case. The price was low and the farmer was not able even to meet the debts he had contracted. In the face of that, the great agricultural implement industry of this country made demands upon the farmer that were never made in previous years, compelling him to pay up, and if he would not pay in the ordinary way putting him into court, seizing his property, taking everything from him in order to collect his indebtedness. That is one of the reasons why the agricultural implement industry is not gaining in popularity in western Canada.

The hon. member for Brandon to-day said, if I understood him rightly, that he believed that the Minister of Finance had an open mind on the question of free wheat, that he had not absolutely decided that free wheat would not be a good thing for this country. Then the member for Brandon proceeded to present some reasons to establish that free wheat would possibly not be a good thing for the farmer and he tried to so fix the mind of the Minister of Finance that there would be no possibility of free wheat. The hon. member was trying to close the open mind of the Minister of Finance so that there would be no possibility of free wheat.

I want to deal for a few moments with the very important question of agricultural implements. As I had occasion to say in this House this session, during the campaign of 1911 gentlemen who appeared on the platform in opposition to myself in the constituency of Medicine Hat made the declaration that the chief fault with reciprocity was that it did not go far enough, especially on this item of agricultural implements; and they told the farmers that if the Conservative party were returned to power agricultural implements would be put on the free list. They made this statement throughout my riding. Now we find that they are not able to implement this promise, if I may be pardoned for the use of the word in that sense. They come down here and all they were able to get was a five per cent reduction on a certain agricultural implement. The Liberal provision in the reciprocity agreement covered nearly every implement which the farmer in western Canada uses. I say I believe that the men who spoke at that time were honest and believed that they would be able to convince the Conservative Government, if one came into existence, to provide free imple-

ments, but they have not been able to do so nor have the farmers of western Canada. But, on the other hand, the agricultural implement manufacturers of this country have been able to convince the Government that only a five per cent reduction is warranted.

I would like to read an extract from a western newspaper. It happens to be from my own paper published in the city of Lethbridge. It is not an editorial expression of opinion, but it is simply an interview given to one of the reporters by an agricultural implement man who does not use his own name—I presume he would be afraid of losing his position if he did—but he makes a very important statement. This article says that the agricultural implement men of the place were interviewed in order to get their views on the five per cent reduction in the duty on agricultural implements. The article continues:

> The opinions were all very emphatic. One man said that the reduction could not help the farmer in the slightest degree. His reason was that all the binders sold in the west are manufactured in Canada anyway, with the exception of the John Deere, which sold for the same price as the others after the duty had been paid, namely $175.
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> The manufacturers in the East will pocket the advantage, said one man. Even if the price was lowered, it would not amount to more than five dollars on a binder. A farmer uses a binder for an average of about five years—

I think that is a very small period of time in western Canada, but that is the length of time that this gentleman mentions as the life of a binder. Then the article continues:

> —and if he saved $5 on his future purchases, that would mean a dollar a year, nothing that any farmer would write home about. What the farmers want, he continued, is free wheat, free food and free implements. If he had implements, the smaller manufactures in the United States would be permitted to invade this country, and they would make the larger concerns come down down to a point that would mean an advantage worth while to the farmer. With this, and free wheat, which would give the agriculturist a wider and better market, he might have financial benefits that would amount to something. The reduction on implements does not amount to the price of a good square meal to the farmer.

That is an expression of opinion from western Canada, and it comes from one of the agricultural implement men. In this connection I would like to draw the attention of the hon. Minister of Finance (Mr. White) to a statement which has been made to me. I cannot guarantee that it is correct because I have been away from the West for some time, but the statement is that within the last three or four months the price of binders and mowers in western Canada has been increased sufficiently to cover any reduction which might be made in the duty on agricultural implements. That statement was made to me by a gentleman in my own city, and if it is correct it is worthy of investigation. I cannot guarantee that it is correct, but I simply make the statement as it was made to me.

Mr. ROGERS: Will the hon. gentleman repeat that statement?

Mr. BUCHANAN: The statement that was made to me was that the price of binders and mowers had been increased about $5 within the last three or four months. This gentleman who wrote to me, since the announcement of the reduction in the duty, intimated that the agricultural implement manufacturers must have been figuring on a reduction in the duty, and so they put up the price. I cannot guarantee the accuracy of that statement, but the statement was made by a responsible business man.

Mr. W. T. WHITE: It would be quite impossible that that could be done, for the reason that—I make the statement, without any equivocation or reserve—nobody could be aware of the action of the Government in the matter, and I do not believe the statement is correct.

Mr. BUCHANAN: I would not want to say that the manufacturers were advised that there was any possibility of a reduction, but I think that from the discussion which had been taking place in this country during the last few months they might have imagined that something was going to happen, and they certainly could have imagined that something was going to happen if the party on this side of the House had anything to do with the changes in the tariff. I do not say that they knew actually that a five per cent reduction, or any reduction, was to be made, but if the statement that they have increased the price over that for which they had been selling these binders in western Canada is correct, it is worthy of investigation at any rate. I had the opportunity of making a speech on this question before in the House, and I do not intend to make any further remarks on this particular subject.

I want, however, to offer some observations on the question of immigration. This is an important question to the people of western Canada. We are all anxious that our country should develop as rapidly as

possible. My own conclusion is that, outside of the people who have been coming in and taking up homesteads, there has been practically no movement to the West of the class of farmers who might be expected to invest in farm lands. A great many people who went into western Canada as homesteaders simply went in to prove up, get the land and then move away. We have in many cases vacant homesteads, and naturally there has been a decrease of population in that regard. I do not know whether that is the case in all districts or not, but I know that is the case in many parts of Alberta. We have not been bringing into western Canada as we should have done men to go on the land and till the soil. Western Canada is out of the stage of sensational development by means of real estate speculation, which has aroused the people to a realization of the possibilities of their respective cities. They have spent a great deal of money in development. I say that population practically will be stationary until there is a very rapid increase in our rural population. I would like to see more people going into that country and settling on the land. They are not coming in to purchase farm lands as they were a few years ago. I do not know whether there is any slackening of the efforts to bring settlers from the United States or not, but there certainly has not been the movement of United States settlers to southern Alberta that there was a few years ago: In that particular part of the country the United States settler is an ideal settler. He comes from states which are very similar in climate and agricultural conditions to Southern Alberta, and he generally makes a success of agriculture. I hope that the efforts to bring farmers in from the United States will continue, and that the class of immigrants that we are bringing from across the sea will be a class of people who will go on the farms. We should now make every effort to get people on the land. That should be the main object of this Government if it wants development to continue in western Canada, population to increase and the resources of the country to yield what it is possible for them to yield.

Mr. W. H. SHARPE: What is the cause of men leaving the land in Alberta ?

Mr. BUCHANAN: Land has been vacated by what are known as professional homesteaders.

Mr. SHARPE: Brought in by the former Government ?

Mr. BUCHANAN: There has also been a movement of actual farmers of western Canada according to the conditions there. I would not say how great that movement is, but I have in my desk a clipping from a newspaper published in my district showing that from that particular district there has been a very large movement of farmers.

Mr. ROCHE: Where did they go ?

Mr. BUCHANAN: The statement was made that some went back to the United States and some to Ontario.

Mr. ROCHE: I think I explained that a couple of weeks ago when I stated that the land laws of the state of Montana had been made very much more generous recently, that the United States Government now are giving homesteads of 320 acres where they used to give them of 160 acres, and that they are allowing people to qualify for patents in three years, while heretofore they demanded five years. Of course, their lands are inferior to ours, but at the same time this has a very great influence in attracting settlement in that direction.

Mr. BUCHANAN: My argument is that we should bend all our efforts to get people into the West who will become permanent settlers on the land. One of the reasons for the movement of population out of certain parts of my constituency is to be found in the fact that railroads have promised that they will build lines within a few years into those districts, but notwithstanding that many settlers have been living on their homesteads for five years there is no sign of a railroad in their neighbourhood yet, and they have become discouraged and have left the country. The Government, in my opinion, should insist upon the more speedy construction of branch lines into districts which are well settled. I cannot understand why railroads will build branch lines into unsettled parts of the country, when there are well settled districts in which railroads are absolutely needed. The Government should get behind these railroad companies with a big stick and make them build these branch lines, according to their promises, so as to keep the people in the country, and thus remove a great deal of discontent. In my own district, the Canadian Northern Railway Company has followed this practice of promising to build branch lines into certain districts, and when the settlers go in they do not build them.

I represent a district where railroads are absolutely needed, and where the farmers, in many cases, are settled from fifty to seventy miles from railroad facilities. I am prepared to stake my political future on the declaration that I would not tender any assistance whatever to the Canadian Northern Railway Company until Sir William Mackenzie and Sir Donald Mann shall get rid of their other interests, their street railways, and their electric power companies, and their coal mines on the Pacific coast, and their other interests throughout Canada and in foreign countries, and save the Canadian Northern railway with their own resources. I may be radical in this respect, but I believe I have my constituents back of me when I say, that if the Canadian Northern railway cannot be saved by Messrs. Mackenzie and Mann themselves then the people of Canada, who up to the present have really built that road, should take it over and operate it themselves. And, while we probably have not made a success of operating the only Government-owned road we have in this country, still I think we might do much worse than to take over the Canadian Northern railway, rather than to hand over a guarantee of bonds or any other assistance to the men who are now at the head of that undertaking. These gentlemen have been assisted by every province in this Confederation; they have been assisted by the Dominion Government, and they would not be so far advanced as they are to-day with their lines were it not that the people of Canada have rendered them liberal assistance. If these gentlemen cannot finish that railroad system and put it in such a position as to operate it successfully, I say the people of Canada should safeguard themselves and take the road into their own possession.

I have devoted my remarks chiefly to questions affecting western Canada, and I conclude by saying that I dislike very much to hear members in this House give expression to the idea that western Canada is always complaining, and always has a grievance. That is not the kind of talk that will make western Canada more friendly to eastern Canada. We in the West have grievances which must be remedied before we are a contented people, and I want to say for the people of western Canada that they are just as anxious for a united Canada, and just as anxious for a prosperous and progressive eastern Canada, as they are for a prosperous and progressive western Canada. But they will continue to insist that their grievances, more especially with respect to tariff matters, shall be remedied, and once these grievances are remedied you would have happy and contended farmers on the prairies of the West.

I appeal to members on both sides of this House to unite in a statesman-like effort to meet the needs of western Canada. If western Canada is to grow and to make progress, it must be looked to with a sympathetic eye by whatever Government may be in power. I repeat what I have often said, that Canada will not be prosperous and progressive unless we place on the lands of western Canada settlers who will till the soil and produce that wealth which will enable them to purchase the output of the industries of eastern Canada.

Mr. JOHN WEBSTER (Brockville): Mr. Speaker, I come from one of the principal dairying centres in the province of Ontario, in which is held the largest weekly market for dairying product that there is to be found in Canada, and I therefore feel it incumbent on me, when we are discussing tariff matters, to speak on behalf of the dairying industry. I shall address the House from the viewpoint of a dairy man and a business man of the province of Ontario. The hon. member for Medicine Hat (Mr. Buchanan) spoke of the policy of the Liberal Government. Having been a close student of the different policies introduced by the late Government, I cannot for the life of me understand which of the Liberal policies the hon. gentleman alluded to, because the Liberal party has had so many policies that I must admit I have not been sufficiently alert to have kept track of them. Perhaps the hon. gentleman referred to the Liberal policy of giving away the resources of this country to their friends, in the shape of water-powers, townsites, timber limits and other things. The right hon. leader of the Opposition has stated on more than one occasion in this House that he is not a business man, and therefore, I presume, he will not be able to appreciate the remarks which I make from a business man's standpoint.

I congratulate the Minister of Finance upon his Budget Speech. He deserves the congratulations of the people of Canada for his business-like attitude on tariff questions, and for the executive ability he displayed in that financial statement. I think I can safely say that during the regime of the Laurier Administration no Minister of

Finance ever delivered such a masterly Budget Speech, or one so calculated to contribute to the development and prosperity of our country.

The hon. Minister of Finance referred to the money stringency of 1907-08, which is not so long ago but we can all distinctly remember it. Yet in the face of that stringency, Sir Wilfrid Laurier appealed to the people to return him at the head of the Government so that he could finish his work. The people did so, and now they are paying the penalty. The money stringency has been world wide. It has affected not only Canada, but the great nation to the south of us, and all European countries. I am proud to say, however, that the people of Canada have felt it as little as any other nation in the world. I live right on the international boundary line; and from my house, I can see what is happening across the line. How de we find conditions there at the present time? How are railway men affected there? The New York Central railway, which is not a transcontinental line by any means, has discharged no less than 25,000 employees since February, 1914. Have we had a similar experience in Canada? No; our railway men say they have no particular complaint to make. Take the situation as it exists in New York today. How many hundred thousand men are there out of employment in that city? Why does that bread-line exist in New York at the corner of 35th street and Fifth avenue, where the hungry people are fed from midnight until two o'clock every night by that great organization known as the Christian Herald Newspaper Company? That is surely sufficient to cause alarm. What would our hon. friends opposite say if the cities of Ottawa and Montreal were running a bread-line at that hour of the night? In New York you can get men furnished by that Christian organization for practically their food and clothes; but when you want a man in Canada to go on a farm, he asks from $45 to $$50 a month. That is sufficient to show the difference between conditions in Canada and conditions in the United States at the present time.

I have listened most earnestly to the arguments brought forward in favour of free food. I would like to ask the right hon. the leader of the Opposition: Where is this free food to be found? Where is it to come from? Is Canada not one of the greatest producing nations in the world? Are we not proud of the position which the agriculturists of this country occupy today? We are, and the farmers of this country, by obtaining high prices, are only coming into their own, and I hope they will continue to get those high prices for the next twenty-five years. They are only now beginning to realize what it is to have a home market at their own door. That is the best market for the products of the farm. The field crops of Canada last year reached the enormous sum of $553,000,000. Where was this great crop consumed? Eighty per cent of the total crop of Canada was consumed in her own markets. The farmer deserves the same amount of protec-

9 p.m. tion as the manufacturer, the artisan, the mechanic and the labourer. Ontario, with its 2,500,000 people, produced no less than 40 per cent of the total agricultural products of Canada during 1913. Ontario had over 9,500,000 acres of field crops in 1911. Ontario has nearly 300,000 acres in orchards, vineyards and small fruits. I would ask the right hon. leader of the Opposition: what did it mean to the producer of those fruits to have free fruit coming into Canada? The people in the United States are about thirty days ahead of us in the production of the berry crop. Would my right hon. friend rob the farmers of the profit of producing those berries for the tables of the artisans and mechanics in the cities? The farmers deserve the greatest consideration that can possibly be afforded them. We are all proud of our farmers, because they are the bone and sinew of the country and they have made Canada what it is to-day.

The farmers of Ontario alone have a working capital invested of $1,216,864,990; but they have received in the legislature the least consideration of any class of people that has any such investment in this country. I am prepared to give to the farmers of Ontario and Quebec their full share of the credit due them for what they have done to make Canada known in the markets of the world. The pioneer farmers who came into this country, possibly a hundred years ago, did as much to roll back the curtain of civilization to the rest of the world and to advertise Canada as any class of people that we have in Canada to-day.

I have listened with great interest to the stories of hardship of the prairie farmers, told by hon. members from the West. If you compare the condition of the prairie farmer with that of the pioneer who came into this country a hundred years ago, as my grandfather did, who went fifty miles to a mill with a bushel of wheat across his horse's back, along a blazed road, and if you think of the advantages possessed by the western farmer, those hardships pale

into a shadow. The pioneers of Canada have done something to which we can all point with the finger of pride. The farmers of Ontario and Quebec have been what we might term the pioneers or the pathfinders of the great West. Going through my constituency, I often hear people regretting that the young men and the young women, the pride of our country, are now going out to the great western provinces to make their homes; but I am pleased to think that there are so many of the best young men and women of Ontario and Quebec in the West, and I am sure they will see that the interests of that country are properly conserved. During a trip I made through the western provinces last autumn, I was told on many occasions that the farmers who came from the older provinces of the Dominion of Canada were the best settlers there. We have heard a great deal about the boys leaving the farm. Well, up to the present time of high prices, the boys on the farm had very little to encourage them to stay there, and the fault in that case, I think, can be laid at the door of the previous Government. The provincial Government in Ontario to-day by the development of its Hydro-Electric scheme, is doing more to keep the young men on the farm than has been done by any other government in this country within the past fifty years. If young men leave the farm because they cannot make ends meet what is the reason of that condition? The shortage of help. Why has Ontario received so little consideration in the past in her immigration policy? Simply because the late Government of this Dominion wanted the settlers to go to the West. But to-day the province of Ontario is getting her full share of farm labour, and I expect to see the results of that immigration showing in the increased products of our farms. There is only one way that I know of to reduce the high cost of living in this country, and that is to populate the rural districts. We have too many consumers and not enough producers. That is the secret of the situation. But if this policy of free food introduced by the leader of the Opposition is to sweep away the protection afforded our farmers, what encouragement, I ask you, Sir, would there be for young men to take up farming in the province of Ontario?

The hon. member for Huntingdon (Mr. Robb) spoke of the dairy industry. I have been engaged in that calling for the past thirty-five years, so when I speak of the dairy industry, I take the liberty of believing that I speak of something which I understand. Our dairying industry has been developed during the past thirty-five years. Our beginnings, as is usual with beginnings, were small, but the product of the dairy industry of Canada for the year 1913 was estimated at the large sum of $121,000,000. Canada's dairy exports last year amounted to $21,714,153, those exports consisting almost entirely of cheese. The hon. member for Huntingdon spoke of the advantages of shipping milk and cream. But let me say to the members of the House—and I know whereof I speak—that the man who ships milk and cream off his farm, and has nothing coming back to feed his hogs and calves, is mining his land. He is like the man who is selling hay—how long can he continue to raise a hay crop? Go into the northern part of the state of New York and find there the farmers who have been supplying New York city with milk, and you will find that these are the people who are coming over to Ontario and buying our young cattle to build up their dairies. Their old cows are milked out, and they must do something to increase their herds. I have farmers in my constituency who last year raised a calf for every cow they milked and sold those calves for $25 apiece. But that was another mistake. Instead of selling that young stock, they should have sold the finished article, the food product, for in that way they would have doubled their income in a short time.

We have heard a good deal about the cattle exported to the United States during October and November after the new Wilson tariff came into effect. What do these cattle consist of? To a large extent of young stock, one-year olds and two-year olds. That is a mistake that our farmers made. They shipped as high as thirty-five or forty in one car, and we saw carload after carload going out of our country. To-day many farmers regret that they sold that stock, for they could sell it in the home market to-day, in Saskatchewan or British Columbia, for more money.

The hon. member for Huntingdon referred to the 'Jingoes of Ontario.' Well, I have lived in Ontario all my life, and I do not know the meaning of his word. But I do know what caused the wonderful upset in the calculations of hon. gentlemen opposite on the 21st of September, 1911. It was not because of jingoes, but because the people of Ontario were too independent ever to become 'an adjunct.' That speech which Hon. Champ Clark made about the Stars and

Stripes floating from ocean to ocean and from the pole to the gulf is what made the 'jingoes,' and when the same question comes up again, you will find the people of Canada just as independent and just as loyal as they were on that 21st day of September.

Speaking further of the cattle export, I have taken some figures from the Monetary Times, which will be regarded as an authority anywhere in Canada. There were sold from Alberta last year, $10,000,000 worth of cattle. Of this $5,000,000 went to British Columbia, $4,500,000 worth to Winnipeg and Calgary for local consumption, and $500,000 worth to the United States. I visited that abattoir in Calgary last summer and observed with great interest the way in which they handled that stock. I saw them load carload after carload for British Columbia and Winnipeg, but while I was there they did not load one carload of cattle, sheep or hogs for the United States. What is the trouble to-day with the United States markets for cattle, when we see the western cattle from Saskatchewan and Alberta being offered on the Toronto and Montreal markets? Western cattle to-day control the Montreal market. It must be that the home market offers the producers and drovers of western Canada more than does the United States market.

Now, I desire to refer briefly to the bacon and hog products of Canada. I would like some hon. gentleman opposite to tell me what it will mean to the dairymen of this country to have free wheat. Our dairymen are depending on the offal, that is, the bran, shorts and low-grade flour to feed hogs for the production of pork and bacon. During the past 25 years this country has built up a reputation second to none in the world for the quality of the bacon and cured meats that it manufactures and exports. When I was in British Columbia last year, I went with a drover from Grand Forks into the state of Washington, and I saw him purchase dressed hogs in that state for $10 a hundredweight, paying upon them 3 cents per lb. duty, and taking them to his customers, the miners and smelt workers of Grand Forks. Yet the right hon. leader of the Opposition wishes to wipe out, with one stroke of the pen, this great industry which has been built up by our farmers. I tell you, Mr. Speaker, that without protection the hog-producers and bacon-curers of this country would be put out of business.

What would free wheat mean to the milling industry? It would simply drive it out of business. It has been our proud boast in the past that the people of Canada control more natural resources than the people of any other country on the continent. We have to-day lumber for the manufacture of barrels, we have our cotton mills for the manufacture of flour bags, and we are employing a large amount of capital in the milling industry. In the face of these considerations, free food and free wheat would simply drive the milling industry out of Canada. The mills in a short time would be built to the south of the line, where the millers could get low-grade wheat to mix with the high standard wheat we produce in Canada. Do you think, Mr. Speaker, for one moment that the people of the United States require our wheat for domestic use? No; they simply need a certain percentage of the No. 1 hard wheat which we produce in Canada to grade up their low standard wheat in order to make a better class of flour to compete with the Canadian millers in the markets across the seas. The great milling concerns of Minneapolis and Buffalo came into the Canadian market last autumn and bought 10,000,000 bushels of wheat, upon which they paid duty. Do you think that if they could have obtained the same high-grade wheat in the south they would have come over here and taken Canadian wheat? No, not for one moment. I do not think any sane man would believe such a thing.

What would it mean to the dwellers in the city, for whom our friends across the floor of this House have so much sympathy, if we were to take any step which would increase the price of bran and shorts say $3 a ton? It would mean that we would have to pay 12½ instead of 8 or 9 cents a quart for milk with which to feed the children of this country. That is another consideration which our friends opposite have apparently overlooked. One thing is certain: the producers of milk must receive some reward for their labour, and if you increase the cost of feed you must expect the producer of milk to increase the price of the product.

I have tried to explain in a fair and reasonable manner just how this great industry would be effected by free wheat. The United States is the third largest exporter of wheat to the British market, and for every bushel of wheat they would take from Canada it is quite natural to suppose that they would have one bushel of American

wheat to export to Great Britain. We are all proud of the position which we occupy as exporters; why should we try to injure the position which we now hold and are so proud of? With free wheat, and with our wheat going to the south instead of to the east and west, we would be advertising the United States as the greatest producer of wheat in the world. If the American miller wishes to secure Canadian wheat in bond for grinding purposes, it costs him only one-tenth of a cent per bushel, and he has the bran, shorts and offal in his own country. With that small increase in cost they claim that they can compete with the Canadian miller in the foreign markets. But I do think the millers of the United States are quite capable of guarding their own interests. It is not in the interests of either the millers or the producers of Canada that the people of the United States are so anxious to have our No. 1 northern hard wheat entered into the United States free of duty. This is not a party question; it is a great national question and I think it is time that our friends across the floor of this House began to realize that fact. If we were to listen to the offers that our friends have been in the habit of making occasionally to catch voters throughout the country, we would be pursuing the same policy that they have been pursuing for a great length of time. The right hon. leader of the Opposition is beginning to realize that the farmers of this country have some cause to doubt the value of these apparently favourable proposals that he is continually making to them. By appealing to the artisan, the mechanic and the labourer and telling them that the high cost of living is depressing them, he may possibly catch their votes and the votes of the western farmers. But I would like hon. gentlemen opposite to explain where they are going to get this cheap food which is to be brought into Canada. What is wanted in Canada is more wheat to be ground in this country, thereby increasing the production of the farmers along dairying lines, along meat lines and in many other ways. By doing this we will be doing our share towards lowering the high cost of living.

The hon. member for Frontenac (Mr. Edwards) said last night that he for one would, if it were necessary for this Government to do so, approve the establishing of a line of ocean vessels that would govern the export rates on flour and wheat. I would do all in my power to further a policy of that kind if it were necessary in the interests of the western farmer. By so doing I think we would be doing more for the western farmer than we would be doing if we were to take the duty off wheat and let it come into this country free.

Another matter in respect of which I wish to congratulate the hon. Minister of Finance is that in his Budget he did better in regard to agricultural implements than hon. gentlemen opposite did in their reciprocity pact. Under the reciprocity proposal the duty on these implements was to be fifteen per cent, but the hon. Minister of Finance has cut the duty on binders, mowers, harvesters and reapers to twelve and one-half per cent. For this he should receive the congratulations of the farming community.

A word about this pact known as reciprocity and larger markets. We were told by the hon. member for South Wellington (Mr. Guthrie) that reciprocity is dead, but judging by the remarks of the hon. member for Huntingdon (Mr. Robb) this afternoon I should have thought that he was repeating in the House one of the reciprocity speeches which were made when that matter was before the country.

I think possibly it may be dead with the hon. member for South Cape Breton, who wants to see the iron industry protected, and the hon. member for South Wellington (Mr. Guthrie), who wants to see the farm implement manufacturers protected. It may not be dead with the hon. member for Huntingdon (Mr. Robb), but he did not say that he stood for free flour. Possibly he has some financial interest in a flour mill, and therefore wants to see flour on the protected list. But that is one of the variations that occur in the different policies for different localities in the camp of our hon. friends opposite.

The hon. member for Rouville (Mr. Lemieux) referred the other night to the expenditure on militia and the cost of armaments. Has the hon. member forgotten that there is on the statute book of Canada such an act as the Laurier Naval Act? If he has not, he knows that if that policy were pursued it would cost this country possibly more than the National Transcontinental railway has cost. We do not know how much it would cost, because the people who introduced the National Transcontinental railway had not the slightest idea of what its cost would be. The hon. member for Rouville referred to this militia expenditure. Why, the greatest advertisement Canada ever got was got by those young men who were

sent to South Africa in that famous contingent when they caused Mr. Kronje to do homage to the old flag. I wonder if the hon. member for Rouville himself did not feel very proud on that memorable morning when that Canadian contingent did their duty to the flag and the empire. I can quite understand why the hon. member for Rouville feels a little bit sore owing to the defeat of the late Government in 1911. If my memory serves me right he had previously come into the position of Minister of Marine and Fisheries for this country, and, who knows, had that regime still continued in power, that he might not have had hopes that some day he might be made an admiral. Can you fancy anything more funny than the hon. member for Rouville pacing up and down the deck of one of those naval battleships, decked in his navy blue suit heavily embroidered with gold lace, with his cocked hat and feathers waving in the breeze? I do not wonder that the hon. member for Rouville is sore. Why, were you to see him in that uniform, I would excuse a member of Parliament, in the early hours of the morning, taking him for Admiral Togo, the man who defeated the Russian fleet.

We are looking forward to a visit from our King in the near future, and when he comes to this country I hope we will be able to show him a nation of people, the most prosperous, progressive, happy and contented that inhabit any colony within the British Empire. And, Sir, I tell you that it is my most earnest belief that when His Majesty has visited this country, he will be quite free to admit that Canada to-day stands head and shoulders over all the other colonies and is still the star and gem of the Empire.

Hon. H. R. EMMERSON (Westmorland): Mr. Speaker, I cannot recall an occasion upon which I did myself the honour to take part in a Budget speech in this House, and I think I can therefore say that this will be my maiden speech on that subject. I would not participate in this discussion were it not for the fact that I think the time has arrived in Canada for those who have convictions to give expression to their views. The time has come, and I think I am not extravagant in stating that the struggle has begun. History tells us that there have been cycles of stress and struggle between the classes in every age and every land. Two thousand years ago there was such a struggle and it was a struggle of the classes against the masses. Down through the history of every age these struggles have been recorded; and while the contestants have had different names the struggle has been the same. We have had it in Canada. They are having a struggle to-day in Great Britain. There it has been a contest between the aristocracy and the democracy. In Canada, in the early days, there was a struggle of the people against the family compact. It was the fight for responsible government, and in every one of the four original provinces of this Dominion that struggle went on. It is upon us to-day in a different form. It is a struggle between the interests and the great mass of the people. It is all very well for us to laugh and say that there is no power that controls in Canada to-day. We know that it is true that even in the matter of legislation, as every hon. member has realized in his experience, there are interests that control and influence in a mighty degree, almost in a paramount degree in Canada, even in this Parliament. We see occasionally immense delegations travelling to Ottawa, interviewing the Government. They are heard with consideration, with courtesy and with respect. But, Sir, these delegations are powerless to influence the currents of legislation and governmental action. We saw here the other day, on the floors of this Parliament, an immense delegation with respect to a great transportation scheme. Were they misled? Did they return to their homes with the thought that they had made an impression upon the Government or even upon Parliament? If they did they deceived themselves because we know that the question is subject to the control and influence—perhaps I should not use the word dictation—of certain interests that are considered rival interests. If it comes to a struggle then I wish in no uncertain way to assert my views, to pronounce myself and to co-operate, as I believe, with the great masses against the classes in Canada.

It is very easy to be placed on the wrong trail and follow it until it leads away from the right one. I think that has happened in Canada. The trouble is that we have not cared to call things by their proper names. Ambition is what we choose to term that insensate lust for material prosperity which is the maggot at the heart of such success. Protection is the soil on which corruption grows. Our whole body politic is menaced, mentally, socially and morally —politically speaking—by corruption. It is the gathered force, the concentrated intensity of all the accumulated greed for power

and pelf. Like the heathen mentioned in the 115th psalm, the idols of the votaries of this system are silver and gold and the work of men's hands. For all these reasons and because of their greed, the manufacturing and industrial interests are the enemies of democracy. The big interests started to gobble everything in sight like the swine, and while they gobble democracy goes to smash. I do not think that democracy is merely an enchantment; nor do I think it should stand still, limp, flaccid and sluggish. Rather should it go forward. This contest is one that is not to be determined suddenly, and the forces that are arrayed against each other are very different in character—the one organized and powerful, the other disorganized and not having at its back the influence, the power and the men to carry on the struggle. But that struggle must be determined by the earnestness of the people, and by the sincerity with which they enter into the struggle. I, as one of the people, realizing the conditions, can honestly say that I shall attempt to take my part in the struggle.

I listened with a great deal of pleasure to the speech of my hon. friend (Mr. W. T. White), and I am sure that I do not intend any discourtesy to the gentlemen who have immediately preceded me if I do not refer to their utterances. I feel that it is my duty, in discussing the Budget, to go to the law-giver in order to give an interpretation, and the Moses, the law-giver, in this instance, is the Minister of Finance. I, at a later stage, may briefly refer to some details of his utterances. His speech was an able one, but I think all must agree with me in the statement that it was delivered tremblingly, falteringly and haltingly. He proceeded apparently as though on thin ice. I did not know, as I followed him closely, just where he purposed to land. He did land eventually. He reminded me of a player indulging in a game of solitaire. Everything depended on each card as it was turned, and every successive move was governed by the card that was first turned; so on until he had reached the end, everything by chance, nothing fixed, nothing determined. But it was a very excellent speech. While there was much about the difficulties that had surrounded him during the past year, he apologized and explained as best he could, the fact that Canada's trade was declining, that Canada's borrowings were increasing, that Canada's credit abroad had suffered, that Canada's rate of interest on English debts was being increased, that Canada's public debt was again growing alarmingly, that Canada's customs revenues have declined, and that Canada's expenditures were increasing. While he attempted to explain and justify these things in some instances, and to apologize for them in others, there were two ideas that stood out prominently. The first was the acknowledgment of the allegiance which he owed to the masters of this Administration. The other was the position of the Government that in attempting to do something they should be commended for they had struck a blow at somebody else. The minister's remark that it is not advisable that a nation's tariff should be so arranged as to fit into the tariff policy of another nation was received with acclaim. The idea that Canada was not to frame a tariff which would fit in with the tariff of any other country, was to be in future the slogan of the Conservative party, and the very next morning, one of the Conservative newspapers in this city, in large glaring letters, reiterated the sentiments that Canada was to be in no way subservient to any other country. But the Minister of Finance had no sooner given utterance to that statement, than he followed it up by declaring that he would put a surtax of not more than twenty per cent against all countries which discriminated against Canadian goods or Canadian shipping. In that particular instance, was not the Minister of Finance fitting our tariff into the tariff of other countries? Partyism is a tradition, and perhaps it would be a happy thing for the Minister of Finance and for the Government if the recording angel could blot out the past history of the Tory party in Canada. When the Minister of Finance repudiated the idea that our tariff should fit into the tariff of another nation, did he have in mind that in 1879, Sir John Macdonald, through his Minister of Finance, Sir Leonard Tilley, incorporated in the so-called National Policy a provision under which the tariff of Canada would be dependent upon the tariff of the United States. Does he remember the statutory offer in that tariff, under which the natural products of the United States were to be admitted free into Canada when the United States admitted certain Canadian natural products free? The Minister of Finance has been lauded, and deservedly so, by every speaker on his own side of the House; he has been commended for his statesmanlike grasp of the situation, and for his endorsation of the old policy, and yet he must have

forgotten that the Conservative tariff of 1879 was phrased in such a way as to enable it to be fitted into the tariff policy of the United States. True, the Finance Minister was a Liberal, and was nurtured in the Liberal ranks, and perhaps he has become the Solon of the Conservative party of to-day, as Sir John was its Solon in his day, but at any rate the hon. gentleman is not, in this respect, true to the traditions of the party with which he is now allied.

In 1879 we had propounded what is known as the National Policy, and during the elections of that year it was heralded throughout the country, that we were to have, not an increase of taxes, but a re-adjustment, and this policy was submitted to the people as a panacea for all the ills that then existed. There was great depression in 1876, 1877 and 1878, and this nostrum was brought forward as a cure-all. The people of Canada, ready to grasp at anything that they thought would ameliorate their condition, took the medicine, and at first it did give a stimulus to Canadian manufacturing and Canadian trade. But there came a day, not long after, when it began to react, and for fifteen years, under Conservative rule, there was practically stagnation and trade paralysis in Canada. We were carrying heavy burdens for the construction of the Canadian Pacific railway, and we were endeavouring in a way to people the western prairies, but without avail. People became depressed, and even the leaders of the Conservative party realized there was something wrong. Sir John Thompson, when Prime Minister, in 1894, admitted that the so-called National Policy had failed, and he used the memorable phrase that 'he proposed to lop off the mouldering branches.' They did it, although I believe very little remedy was applied.

In 1896, a new Administration was charged with the responsibility of governing Canada. A commission was appointed which travelled from one end of Canada to the other, not merely consulting the manufacturers or particular interests, but having open court and inviting everybody to come in and give their views with respect to business conditions and their suggestions as to the remedy that should be applied. We had the present tariff established. We had many items placed upon the free list which previously had been subject to high taxation. We made changes with respect to specific and ad valorem duties. The tariff as it was introduced in Parliament changed the state of things to such an extent that Sir Charles Tupper, the then leader of the Conservative party, bewailed that the industries of Canada would languish; that they would be destroyed and annihilated. My hon. friends opposite are in the habit of saying: Oh, yes, for fifteen years you have supported a party that practised protection; you as Liberals have given adherence to men who put in practice protectionist ideas. That is the charge made against Liberals on this occasion. There is a measure of truth in that statement, but the preferential tariff of 1897 was a very distinct and marked change in the tariffs of Canada. It was very different from the preceding tariff; it reduced taxation; it burst the shackles of many industries and certainly caused exchange of trade between this country and other countries. There was a relaxation, attended with which was a very remarkable prosperity which continued for fifteen years.

Mr. MORPHY: Under a protective tariff all the time.

Mr. EMMERSON: It is very strange that that same protective tariff, as my hon. friend calls it, could not be made to work when controlled by his party and that, when it came under the control of the Liberal party, it was a successful tariff. If it was a protective tariff, let me ask my hon. friend why it was that in 1908 the present right hon. leader of the Government, from his place on this side of the House, moved a resolution in favour of adequate protection? If we had under the Liberal regime in 1908 a protective tariff that was adequate, why was it necessary for my right hon. friend to ask this Parliament to pass a motion in favour of adequate protection?

Mr. MORPHY: Simply a phrase.

Mr. EMMERSON: I find that my hon. friend indulges in too many phrases, meaningless though they may be.

Mr. MORPHY: Simply a pretext.

Mr. EMMERSON: Yes, there have been too many pretexts by my hon. friend's party when in opposition, and there are more pretexts to-day.

Mr. MORPHY: There were more labour disturbances during the regime of my hon. friends opposite in 1906 and 1907 than there have been since. Nobody but the

Opposition is complaining in the country to-day.

Mr. EMMERSON: My hon. friend can console himself with that thought. He will have great difficulty in convincing the people on that point.

Mr. MORPHY: It will be quite easy.

Mr. EMMERSON: My hon. friend in stating to the House that the word 'adequate' was merely a pretext is certainly giving an illustration of the meaning of politics as it has been defined by one very eminent authority. That definition of protection is as follows:

> Politics in practice too often means all for party, nothing for the people; all for policy, nothing for principle; all for office, nothing for honour; all for power, nothing for progress.

Politics is the science of exigencies with this Government. My hon. friend admits on behalf of his party that that was the kind of politics in which he and his friends were indulging on that occasion. I do not wish, however, to travel from the point. If we have had the National Policy during all these years, why is it that my hon. friends opposite took this action to have it changed? Why was it that Sir Charles Tupper, at the very inception of the policy characterized it as a tariff that would do incalculable injury to Canada? It burst in a measure the shackles which bound the trade of Canada. By reason of placing on the free list so many articles which entered into the industrial life of Canada, it enabled manufacturing interests to advance and to prosper. It gave employment to the many thousands who were obliged to be the wage earners of the country, and it gave an impetus to our agricultural interests, to our immigration that has certainly never been paralleled in the history of Canada. My hon. friend knows that taxing is an easy business; but, as Edmund Burke once said: Taxing is an easy business:

10 p.m.

> Any projector can contrive new impositions; any bungler can add to the old; but is it altogether wise to have no other bounds to your impositions than the patience of those who are to bear them?

The idea put forward in the motion relating to adequate protection was one which meant placing additional burdens upon the people of the country. The reason it was not accepted by this House and that it was not favoured by the people of the country at the time was because there was an abounding prosperity. Trade was advancing by leaps and bounds. In every branch of industry in every department of commercial activity, there was action, success and reward. The people did not approve of any suggestion that meant what is so easy of accomplishment under certain circumstances, the imposition of additional taxation. It is not wise to have your imposts up to the limit of the patience of those who bear the burdens. I call attention to the fact that the tariff of 1879 admitted certain articles free upon action to be taken by the Congress of the United States. That clause of the tariff of 1879 is already upon 'Hansard' and I will not repeat it. I merely say that the Finance Minister, while he has been very attentive to the interests of the manufacturers and to certain other interests, had not a word to say in all his splendid address about the burdens of the masses or the increased cost of living. He was silent on that subject—there was not a word with respect to the burdens which the people to-day are bearing. It is all very well for us to try to ignore as of very little importance the fact that the cost of living is increasing month by month, as official figures prove. It is true, this increase in the cost of living has taken place in all countries, but that increase is not so great in Great Britain as in protectionist countries, and nowhere has that increase been so great as in Canada.

Hon. gentlemen opposite say: You were content under the tariff which existed when you were in power, but now because you are in Opposition you want it changed. We all realize that time brings changes, that new conditions arise year by year and month by month. When the tariff was amended in 1907, trusts and combines were not in evidence to the extent they are to-day. I am one of those who at times have felt that the Liberal party has not advanced as it should have advanced with respect to that question. I am free to admit that. But I believe that the Liberal party stands to-day ready to advance, and it is because of that that I am ready to pat them on the back. The trusts and combines have grown in a remarkable degree even since the introduction of the Fielding tariff in 1897. Changes and modifications were made in that tariff, the greatest in 1907, and had the Government of Sir Wilfrid Laurier succeeded at the polls in 1911, still greater

changes would have been made. But these trusts and combines have grown to such enormous proportions that the people realize their existence and power.

Mr. MORPHY: Can the hon. gentleman name some of them?

Mr. EMMERSON: I could name many. I have a list of them somewhere here, but it is hardly worth while to read it. These trusts are growing year by year; there is the coal trust, the steel trust, the millers' trust, the canners' trust—there is a trust in almost every direction. I believe that protective tariffs stimulate the growth of trusts in Canada. The very object of protective tariffs is to protect the industries of the country. And for a time it may succeed, while competition can be maintained. But the time comes when these men are not content merely with an adequate profit; their greed—for they are but human—urges them forward to seek more and more at the expense of the consumer. The time has come in Canada, in my judgment, when some change should be made to prevent the coming together of these interests. If the tariff of to-day helps these trusts and combines to wring undue profits out of the people, then, though as a Liberal I for years supported the tariff, I say, for one, let us eliminate from the tariff every vestige of protection.

Mr. MORPHY: The hon. gentleman is an out-and-out free trader.

Mr. EMMERSON: I am an out-and-out free trader, and I wish circumstances permitted the adoption of free trade. I am to-day where I have always been. This Canadian Confederation was launched on the basis of indirect taxation; I quite understand that, and we have continued that policy. But if you could change the policy of indirect taxation and adopt a direct tax, then indeed you could have free trade. Speaking for myself, if a plan were proposed which would actually bring that about, I would hold up both hands for it.

The Minister of Finance dealt with the steel industry, and took some action with respect to agricultural implements. There is one subject to which I invited his attention a short time ago which he has apparently ignored. The agriculturists of eastern Canada are not interested so much in the question of agricultural implements as presented to this Parliament as they are interested in another phase of the question of free raw materials for their production. I asked the Minister of Finance some few weeks ago to consider the question of fertilizers and basic slag. At that time I brought to his notice and to the notice of the House the conditions in eastern Canada with respect to basic slag and its use as a fertilizer. I believe in the principle of free agricultural implements for the agriculturist because they are the agriculturist's raw material, and fertilizers should be made free because they are the raw material which assists him in producing his products. I do not wish to repeat the argument that I attempted to bring before the House on that occasion, but I want to bring to your notice, Sir, and to the notice of the minister that in contrast with the treatment accorded by the Government to the big interests, the organized farmers have not been treated with that respect which is their due. A single manufacturer can have the duty on a certain article increased; as instance the case of this gentleman from Cape Breton who, in secret, secured by a stroke of the pen an order of the Customs Board imposing a duty upon basic slag, a fertilizer in very general use by the agriculturists and horticulturists of the eastern provinces. I have here a letter from a gentleman whom I do not personally know, but who is, I think, the secretary of the Nova Scotia Fruit Growers' Association. In a letter addressed to me in March of this year, he said, among other things:

> I thought I would write you direct to place before you some facts as to how this ruling of the customs board will effect the fruit growers of the Annapolis valley.
>
> Within recent years basic slag has become one of the most important fertilizers in the growing of apples. The only plant food it contains is phosphoric acid, of which it has from twelve to fourteen per cent available, but in addition to this it contains from forty to sixty per cent of lime, and lime while not a direct fertilizer has a great effect on the dormant plant food in the soil, rendering it more available. On account of this lime slag as a source of phosphoric acid is much superior to and is rapidly taking the place of acid phosphate in orchards, and in growing grain and hay crops. When apple growing on a commercial scale was first started in this valley, the fruit-growers depended chiefly on their stables for fertilizer, and a man was discouraged from raising more orchard than he could manure in that way. Within the last fifteen years, however, mixed farming has declined, and the farmer who found himself with too many irons in the fire, has stood by the orchard and dropped the less profitable and less laborious stock farming, but in doing this he finds he has to look elsewhere for plant food to feed his trees, and thousands of tons of commercial fertilizer

are imported every spring at a cost of hundreds of thousands of dollars.

With the great increase in apple orchards all over America we must expect in a few years a vastly increased production, and optimistic as I would like to feel, it forced upon me, however, in the light of this fact that the country that will survive in this apple-growing competition, is the country that can produce them the cheapest. Now Nova Scotia with her cheap lands, her nearness to the markets of the world, her water transportation, is wonderfully situated in this respect, but anything like unfair prices on fertilizers and spraying materials, places a serious handicap on these advantages.

In the Annapolis valley we virtually manufacture apples and use commercial fertilizers as a raw material. Why should we not be placed on the same basis as other manufacturers and have our raw material free? It is vastly more important to build up the business of fruit-growing in Nova Scotia than it is the business of manufacturing fertilizers. The Cross Fertilizer Company in Sydney have a complete monopoly, as slag for fertilizer is not made anywhere else in Canada. Slag, as every one knows, is a by-product in the manufacture of steel, and until two years ago was thrown into the harbour at Sydney as utterly worthless. The process of grinding is inexpensive, and everything above the cost of grinding is clear profit.

I will leave to any one's common sense the fairness of taxing the fruit growers of this valley to put an extra profit in the pocket of the stockholders of the Cross Fertilizer Company. On account of our wet, cold springs, our orchards are especially susceptible to the disease of apple scab or black spot. To protect them all orchards must be sprayed three or four times every summer with some fungicide. This spraying is now done by large power machines costing from $250 to $300, and if I am not mistaken the duty on them is thirty per cent. Hundreds of these machines are now in use in the valley, one firm last spring selling forty at a cost of $265 a piece.

But I could go on and write pages on what I consider the unfairness of the tariff laws as regards farmers and fruit-growers.

Mr. LALOR: What is it worth a ton?

Mr. EMMERSON: It ranges from $25 to $40 a ton; a good deal depends upon its quality. By reason of the change brought about by the order of the Customs Board, an increased price per ton is now demanded of the farmers, and they are compelled to pay it.

Mr. BLAIN: Does my hon. friend give the writer's name?

Mr. EMMERSON: His name is Mr. Manning Ells, secretary of the Fruit Growers' Association of Nova Scotia, a gentleman who voluntarily wrote to me simply because I brought the matter to the notice of the House.

There are different ways of reducing the cost of living and helping the farmer, and I want to note the difference between the methods adopted by Germany on the one hand and those adopted by Canada on the other. In Germany the government grants a rebate on freight paid on basic slag. In Canada freights are increased to the highest amount the goods can stand; that was done by the Intercolonial only a few months ago. In Germany Professor Wagner, Privy Councillor and Director of the Research Station said:

> It would be exceedingly valuable if we could secure a soluble basic phosphate, which we have seen almost equals superphosphate in its action, for the German market, but I do not believe that we can succeed in obtaining this, for, as far as I am informed, the high value of this slag has been recognized some time in England and the demand for it there must be already greater than the production.
>
> We can, nevertheless, note as interesting to us, that Englishmen produce such an exceptionally quick and sure acting slag, and we must set our chemists and technical men to investigate, as far as possible, if the solubility of the Thomas slag obtained in the German works cannot, by some modification of the process be raised so as to equal that of the soluble basic phosphate.
>
> In Canada, 10 per cent duty is imposed.
>
> In England, the farmers agitate for a regulation to prohibit the exportation of basic slag, and their journal, the Mark Lane Express states:
>
> It is a pity such good fertilizing material should leave the country.
>
> In Canada, the cost is increased by imposing a duty and raising the freight rates.

Which, I ask you, is the more effective? This basic slag is of extreme importance to the people of eastern Canada, particularly to the horticulturists. I know that in Westmorland the farmers are very much agitated by reason of the action of the Government in imposing this duty. They are placed at the mercy of one concern, a concern, taking their own representation, that has only $140,000 invested, and which does not give employment to very many men. That one concern, through its manager, can quietly and slyly approach the Government of Canada and secure, simply by an order of the Customs Board, a change in the tariff which imposes on eastern farmers and horticulturists an additional burden of at least $1.25 or $1.50 a ton.

Mr. MORPHY: Does the hon. gentleman say that the price has advanced that much this season?

Mr. EMMERSON: I am so informed.

Mr. MORPHY. You vouch for that?

Mr. EMMERSON: Yes, it is vouched for to me by very responsible people and by men who would have no object to serve in attempting to mislead me in the information. This manager of one firm can come to

the Government and bring about such results; and yet the farmers, even although they come here by thousands, cannot have their wishes acceded to in the matter of free wheat. It shows a condition of things which should not prevail. That is one feature of the tariff that should have been remedied and I am surprised that the Finance Minister did not take it into consideration. He might have had brought to his notice the conditions which prevail. He was disposed to do something for the western farmers in the matter of a certain class of agricultural implements; but here is the secretary of this horticultural society stating that they have to pay thirty per cent on all the machinery necessary to be used in connection with their orchards. They are obliged, under the tariff as it stands, to pay a high duty imposed upon all the different classes of fertilizers that are brought into this country. These are a necessity for the farmer. Of what use is it for my hon. friend the Minister of Agriculture to send his agents and officials from his Department all over the country to educate the farmer or to give grants to educational institutions and educational purposes in connection with agriculture, if he afterwards places burdens upon those who would wish to put into execution the education which they secured by reason of his assistance? With the one hand he is giving some little assistance in the way of education, and with the other he is imposing barriers and obstacles in the way of those men utilizing successfully and profitably the education they have secured by reason of the grants made by the Government. I think it is a matter which my hon. friend the Minister of Agriculture should bring home to the attention of the Minister of Finance and his colleagues in the Government in order that this injustice may be remedied. I am not bringing this to the attention of the House merely as a political question. It is a business proposition which should have had the consideration of the Government and their supporters from the Maritime provinces at least. I am surprised that the members from the Annapolis valley, the hon. member from Annapolis county, the hon. member from the county of Kings and the hon. members from Digby and Hants, the citizens of all these counties are very largely interested in horticultural and other agricultural interests, have not urged this matter which is of deep import to their constituents.

There is another question which I would like to call particularly to the notice of the Minister of Finance. A change was made in connection with this tariff schedule relating to building stone and it is a change that is very detrimental, in my judgment, to the quarrying interests of eastern, central and indeed of western Canada. It is a change that was made solely in the interests of the contractors on large public buildings throughout Canada, particularly those who are constructing large governmental buildings in this city and other cities——

Mr. BURRELL: Is it no advantage to the stone cutters?

Mr. EMMERSON: —and not particularly, in my judgment, beneficial to the stone cutters, certainly not beneficial to any large percentage of them. My hon. friend must remember that there are thousands of stone cutters engaged in quarrying in Canada. The stone cutters who are employed in certain cities are not of the same number, and while it may benefit some particular men in that business it will not be of such great advantage to them as it will be to the contractors. This Government is condemned as a previous Government was condemned, because it has permitted, by the action of its architect, the use of Ohio and Indiana stone in the construction of public buildings built under the authority of Parliament.

That has been done everywhere. It is being done to a remarkable degree under this Government. It was being done by the Grand Trunk and the Grand Trunk Pacific railway, and there were complaints made to Parliament with respect to it a few years ago. The new station at Ottawa, built by the Grand Trunk, the Chateau Laurier and other buildings of a like character are examples. They were all built of Ohio and Indiana stone to the injury of the stone quarry interests of Canada. Here is a statement that was made on behalf of the Canadian building stone quarries. I will read it so that it may go on 'Hansard':

> The budget speech at Ottawa proposed to protect the stone cutting industry of Canada by increasing the duty on imported manufactured stone, making it fifteen cents per hundred pounds on stone sawn on four sides, and forty-five cents per hundred pounds on further manufactured stone. That will allow stone sawn on two sides (the only way in which it is imported as 'sawn stone') to be brought in at the same rate as 'rough quarry blocks', or practically free, and is evidently worded in the interests of the contractors only, and it will be a great injury to Canadian quarries, as 'stone sawn on two sides' pays a higher duty under the old tariff. Most Canadian quarries are now provided with sawing machinery and can provide stones sawn on

two sides or four sides, but contractors order it either in quarry blocks or sawn on two sides only. To ask for this change shows a very ungenerous disposition on the part of the contractors, as, they want high protection for the stone dressing industry but they want to import stone practically free of duty.

If allowed, this change will place the Canadian quarries completely at the mercy of the contractors. The country generally will be fully as favourable toward a moderate measure of protection to the quarrying industry, and the development of our great natural resources in this line, as to so heavily protecting the stone cutting business, working almost wholly on imported stone.

Canadian quarries should also share in this protection as suggested hereunder.

Rough rubble stone for rip-rap, breakwaters, etc., 5 cents per hundred pounds.

Rough blocks, not sawn or manufactured, 10 cents per hundred pounds.

Sawn on one or two sides, 20 cents per hundred pounds.

Further manufactured, 40 cents per hundred pounds.

Surely all members of Parliament, regardless of party, will favour the development of Canada's great natural wealth in stone. At present nearly all the building stone used in Canada is imported from the United States.

One reason for this preference is low freight rates from the quarries of Ohio and Indiana to the centres of population in Canada; another is that the imported stones are softer and cost less to cut and dress than the Canadian stone, but they are not nearly as strong and durable and give nothing like the warmth and wealth of colouring and texture the native stone offers. Nova Scotia and New Brunswick offer a great variety of sand stones and granites. Quebec has limestone, marble and granite. Ontario has sand stone, limestone and granite. Manitoba offers a particularly beautiful and durable limestone, and the great western provinces have rich sand stones, marbles and granites in great variety. One of our New Brunswick sandstones, tested at the McGill laboratories, was subjected to heat over 1,500 degrees F. for thirty minutes, plunged into cold water and then showed a crushing strength of over 4,000 pounds per square inch, which is stronger than concrete. This stone is similar in colour and texture to that used in the only building that went through the worst of the San Fransisco fire and is standing and occupied to-day, which shows that sand stones are as nearly fire proof as any material used. Canadian sand stones generally weigh more per cubic foot than the United States stones. The Ohio stones weigh 140 pounds per cubic foot and the Canadian sand stones average about 155 pounds, which, of course, makes them more durable but a little harder to cut. Heavy and expensive machinery is necessary to equip a quarry and usually a heavy outlay is necessary for rail connection, and some encouragement is necessary to warrant this expenditure in developing our natural building stone industry in the face of the great developments across the line. The fact that the weekly or monthly outlay at quarries is nearly all for wages should be considered, as it shows that the percentage for wages is larger than usual.

That is one of the difficulties of protective tariffs. Here is a change made in the tariff with respect to building stone. By simply changing a few words and saying that stone sawn on two sides shall come in practically on a free basis you give an advantage to the stone quarrymen of Ohio and to the contractors who are interested in patronizing the Ohio quarries.

Mr. BURRELL: My hon. friend is advocating protection.

Mr. EMMERSON: I am not advocating it, but I say this is one of the difficulties of protection. You had a tariff which protected stone sawn on two sides, and which stone was subject to a certain duty. Now you change that and you place these other parties interested in the business at a very great disadvantage, and you simply favour the Government contractors and the few men whom they may employ in connection with the construction of buildings to the disadvantage of the money invested in the quarries of eastern, central and western Canada and to the detriment of the men engaged as quarrymen and stonecutters at these quarries. I have brought this to the notice of the House because the parties wrote to me in connection with it. I think that by tinkering in this way to suit certain particular interests you are not working to the advantage of the general interests of Canada.

I believe that every tariff should be framed in the open. Let there be light with respect to these matters. In the case of basic slag, the order which resulted in the imposition of taxation on the farmers of eastern Canada was passed in secret and by one man. Every business question comes back sooner or later to the question of the tariff. It cannot be avoided. Under our system we must have a tariff, but it should be framed in the open. I took occasion formerly to call attention to the dangers of Orders in Council and to the dangers incident to the passage of customs orders because it is all done in secret. The action taken by the former Government in consulting the people before framing the tariff of 1897 was commended at the time, and was worthy of commendation. It was an example that ought to have been followed by this Government. But that has not been done. In the case of the building stone question, had the matter been submitted to the quarry interests instead of to the contractors, a different result might have perhaps been secured. They had in the United States in the year 1828 a tariff which was known as a tariff of abomination. It was so called because it had no beginning, no end and no plan. It certainly had no traceable plan.

There was a general scramble, and everyone who had scrambled hard enough had to be taken care of in the schedule. Hence, it was not an equitable system, but it fully exemplified that definition of protection which characterized it as

> at best an endless screw, and you never know when you have done with it. By protecting one industry you directly or indirectly hurt all others and have therefor to protect them too. By so doing you again damage the industry that you first protected and have to compensate it, but this compensation reacts as before on all other trades, and entitles them to redress, and so on ad infinitum.

The effect of protection in every country and upon every class is to weaken its will and narrow its enterprise; it teaches the classes to look outside of themselves. We have as a result the constant applications to the Government and to Parliament for endowments, and bonuses, and subsidies. We need not go outside of Canada for an illustration of this. It is equally evident in other countries, and particularly in high protectionist countries like Germany, where they have all kinds of bonuses, and where the German Government is kept constantly subsidizing and bonusing industries to the great detriment of the general interests of the country, and particularly the labouring classes. The so-called tariff of abominations in the United States had the merit of being a free-for-all, go-as-you-please kind of thing. But not so the course pursued by the Canadian Government, where special interests get their innings, and the great masses of the people are not consulted through their representatives even. The secret arangement system is injurious. It is devised in the interest of what we term the big interests; and I say nothing offensive of these big interests as long as they are made big by reason of their own competition and without stimulus in the nature of protection, or through combinations and trusts. These secret arrangements are generally the result of the influence exercised by the big interests. How many members of this House understand the changes made in the schedules of the tariff? We heard the Minister of Finance speaking of the changes in the steel schedule, and he told us the number of pounds to the yard, and that up to a certain number there would be a certain duty, and beyond a certain limit there would be a certain other duty; but who advised the Minister of Finance as to all this. No doubt the Minister of Finance has had the benefit of the advice of those interested in that business, but the great consuming classes of Canada are not possessed of the technical knowledge which enables them to understand the effect of these changes. It would be against etiquette, I suppose, for the Minister of Finance to state who suggested these changes. Nowadays every expedient and device of secrecy is brought into use to keep the public unaware of the argument of high protectionists, ignorant of the facts which refute them, and uninformed of the intention of the promoters of protection. There is a will-o'-the-wisp known as the cost of production, which is accepted as a basis for tariffs, but it is elusive, changeable, and nowhere exists as a scientific demonstrable fact.

This country and the United States are familiar with the expert lobbyist whose business it is to deal with subjects of this kind, and they have been seen here for many years, but particularly are they in evidence during the present session, in anticipation of securing something in favour of this or that special interest. The Minister of Finance told us he had the benefit of information from the agricultural implement manufacturers, and he cited the cost of production, but he could not explain to the member for Assiniboia as to the watered stock. There has been a very marked change in the old order of things. There has been destruction of domestic competition by a combination of home rivals. The infant industry cry once prevailed, but the demands of to-day have far transcended that, and I shall not take up the time of the House to comment upon how far that idea has been transcended. It is argued by the interests that a young country wants protection in order to establish industries, and that an old country wants protection continued, because to lessen the protection would affect vested interests, and so: Protection once established, always established. Sometimes after the establishment of a protective tariff, there are symptoms of a desire for a change, by even those who created that tariff. That was well illustrated by the Conservative Government in 1894 when Sir John Thompson wanted to lop off the mouldering branches. Those who are the strongest in favour of a protective system realize that in the practical working of it an injustice is done here and there. Protection to be effective, to be what it is designed to be, namely, to shut out competition from other countries, should be widespread, and practically prohibitive. It is not; and the very fact that our tariff

to-day works inequalities and does injury here and there is recognized by everyone, even by those who favour the principle of protection. The hon. Minister of Finance openly avows his adherence to a policy of restriction and monopoly. What is the present tariff policy of the hon. Minister of Finance as announced by himself? It is a doctrine entirely new and different from that propounded by Sir Leonard Tilley in 1879. The new doctrine of the protectionist is that the tariff should represent the difference between the cost of production in Canada and the cost of production in other countries, plus a reasonable profit to those who are engaged in the industry. The new part is 'plus a reasonable profit.' Who is to judge as to what that reasonable profit shall be? That policy openly guarantees profits to the men who come and ask favours of the Government. As a result of this, men, secure from foreign competition, have joined together in great combinations. They have felt the taste of blood and they want more. By reason of these combinations the cost of living has increased and complaints are heard from the mass of the people. Who has not heard of the cement trust? Even this Government heard of it and took action at a certain time to alleviate the damage that resulted. I have mentioned the other combinations. The industries of a certain class form a combination and, of course, each combination must have a compensation which will satisfy it and remove its competitors. The result is that the combination becomes enormous with a very large capitalization upon which dividends must be paid. Somebody must pay for these dividends, and that somebody is the consumer. While I am not in favour of protection, I say frankly and fairly that if you could have a moderate protection without the possibility of combines, many of the evils incident to protection would be eliminated. The great harm that has resulted is by reason of the combinations that have thus been formed. When prices are falling, what do these combinations do? They reduce hours of labour; they reduce production; they reduce wages; they throw men out of employment to do what? To keep the prices up in spite of their lack of efficiency, that has been the operation of trusts and combines in the United States and it is the operation and result of trusts and combines in Canada to-day. The great evil of protection is that it permits; it stimulates this result. We hear much of depression, of men out of employment, of slack-

11 p.m. of trade, of mills being closed down, and they are being closed down. In eastern Canada in the section of the country from which I come, in Nova Scotia during the past winter, the wages have been reduced, the number of employees lessened, and action taken, all in order that production may be lessened and prices kept up.

Mr. BLAIN: Is my hon. friend in favour of taking protection off cement now?

Mr. EMMERSON: My hon. friend asks me if I am in favour of taking the protection off this thing or that thing. I say, you can not favour the one and discriminate against the other. If my hon. friend is in favour of withdrawing protection from everything, in the sense that it must be governed by a revenue tariff, I will heartily join with him in that true sense. There may have been a time when the tariff did not raise prices, but that time is past. That time has been taken advantage of by the great combines, to give them control of prices and wages. As has already been stated by my hon. friend from Rouville (Mr. Lemieux), to those who demand free food, free wheat, and free agricultural implements, the answer is made that that means free trade. I would like to ask the process of reasoning that would bring that about.

Mr. LEMIEUX: For election purposes.

Mr. BLAIN: How does it happen that agricultural implements are sold the cheapest to the farmers in countries that have the highest protection?

Mr. EMMERSON: I am not aware that that is the case.

Mr. BLAIN: It is the case.

Mr. EMMERSON: If that be true, there may be many causes. What is the object of protection? It is to bring the level of prices up so that the manufacturers may be able to manufacture at a profit as against the foreign manufacturers and the importation of foreign goods? It must follow, as the night the day, that if you impose taxation for that purpose or for any other purpose, there must be an increase of the cost of that particular article.

Mr. BLAIN: I say not.

Mr. EMMERSON: When you buy an imported article you pay part of the price into the revenue of the Dominion in the form of customs duty; but as a rule what you buy

is not the imported but the domestic article, the price of which the manufacturer has been able to raise to a point equal to or higher than the price of the foreign article plus the duty. I think that is an axiomatic statement. Who gets the tax then? Not the Government surely, but the manufacturer.

Mr. STEVENS: The wage earner gets the advantage.

Mr. EMMERSON: My hon. friend had better confine himself to the Hindu. The idea to which he gives expression that protection increases wages has become absurd beyond the point of absurdity.

Mr. STEVENS: It can be demonstrated.

Mr. EMMERSON: It can be demonstrated that the hon. gentleman is entirely wrong. However, I will listen to him, when he speaks, with close attention and all patience. It is a confession of the inability of the Canadian manufacturer to compete for him to ask for these privileges. We are asked to pay him a price from 15 per cent to 35 per cent or more higher than we pay the foreign manufacturer. That is how this colossal infant, this bearded infant, treats the people to-day. He started out with the idea that he should be protected in his infancy, but now after many years he is apparently the same infant, feeding from the same nursing-bottle. Such a policy has become the means of fostering the growth of a number of groups of industries at the expense of the economic vitality of the country. This idea was very splendidly expressed by Mr. Woodrow Wilson in his appeals to the American people before the last presidential election.

The Liberal party constitutes practically half the population of Canada, and yet these people are being denounced as disloyal because they advocate a reduction of taxation, because they favour a policy which means free food to the people and free raw material to the agriculturists. I think it might well be said that, being half the population and engaged in all classes of enterprises, they must have the same interest in the prosperity of the country as have those who favour a different policy. One writer, speaking of these people, says that they cannot commit economic murder without committing economic suicide. As a party, we do not propose to destroy the foundation of our own economic structure. One very foolish writer actually said that the policy of free food and the reduction of taxation 'will blast the bedrock of our national prosperity'. Was a more absurd statement than that ever written?

We used to hear a good deal about the slaughter market. When it was proposed to have a heavy duty on boots and shoes, it was said we must have such a duty because unless the Canadian manufacturer has the protection, the country will be invaded by the American manufacturer who will slaughter this market while he enjoys the benefit of protection in his own market by reason of the high tariff of the United States. That cry does not apply to-day. The United States admits free the boots and shoes manufactured in Canada. As a matter of fact, Canadian shoe manufacturers are to-day exploiting the markets of the United States, and doing it successfully, in competition with their American rivals. Upon what principle, I ask, should they claim a monopoly of the Canadian market when the American market is open to them?

How many have allowed themselves for so long to be imposed upon by the claim that the protective tariff is for the benefit of the workingman in the presence of so many facts to the contrary? The audacity, the impudence of the claim is what amazes one in the face of the fact that the workingmen of this country who are in unprotected industries are better paid than those who are in protected industries. I am free to admit that there cannot be free trade—(I wish in all interests there could be)—so long as the indirect instead of the direct method of taxation prevails as arranged at the dawn of Confederation. But we can ameliorate wrongs, remove burdens, restrict special privileges, curb big interests, nourish freedom and liberty and sever the bonds of the masses. We can crush out the processes of favouritism granted at the expense of the masses. We can destroy the weeds to give room and air and light to nourish the plant so essential to the lives of our great consuming population, the toiling masses, that they may grow and thrive to the status of a prosperous, contented and happy people. Lop the mouldering branches? Aye, and cut and dig up the dead root of privilege which bars nutriment from the other the life-giving roots. In the words of a great tariff reformer:

> The policy of freeing the country from a restricted tariff will so variegate and multiply the undertakings in the country that there will be a wider market and a greater competition for labour; it will let the sun shine through the clouds again as once it shone on the free,

independent, unpatronized intelligence of a great people.

Industries have become cowardly and dependent upon Government aid. Apparently a curse is upon them as witness the constant applications to the Government for additional privileges.

'We should make our tariffs not like those who dole out favours, but like those who serve a nation,' were the words of a great man, and I commend them to the consideration of this House and of the people of Canada, whose interests we are called upon to safeguard.

Mr. JAMES MORRIS (Chateauguay): Mr. Speaker, in rising for the first time to ask the attention of this House, it is but natural that I should feel that hesitation and, perhaps, nervousness, that is common to most persons who occupy a position similar to the one which I occupy to-night. However, I do not intend to go into the matters under debate at any great length, as I do not wish to inflict upon the House everything that I would have to say with regard to them. The question that is before the House has been discussed by some of the best minds that our country produces, and I do not think that any remarks which I may add to theirs will educate the members of this House or the people of the country. I will simply content myself with giving a few humble opinions as to the facts and principles laid down by the Minister of Finance in his Budget speech.

In the first place, I wish to convey to the Minister of Finance not only my own congratulations, but also the congratulations of a number of my most intelligent electors who have read his speech and are convinced that we have to-day at the head of affairs men who are willing and anxious to legislate according to the requirements of our country. There are in my county electors as intelligent, perhaps, as there are in the majority of rural districts and I have it direct from them that they have absolute confidence in the future of Canada when its affairs are conducted by such men as we have in the persons of our Prime Minister and the members of his Cabinet.

Mr. Speaker, I represent a rural constituency, and I have heard so much about the farmers since I came here that I have reason to be proud that I represent a rural constituency. The conditions in my county are very different from what they are in the rural constituencies about which we have heard so much in the course of this debate. As you all know, I have the honour to represent the county of Chateauguay, and I do not think I am saying too much when I say that that county ranks among the foremost in the province of Quebec, perhaps in the whole Dominion. There was a time when the people of that county were not in the prosperous condition that they are in to-day. It is within my own recollection, Sir, when the people of that county were selling their produce for less than it cost them to produce it. I have seen the time when the people in the county of Chateauguay were selling their hay for less than it really cost them to harvest it.

Mr. PROULX: That was before 1896.

Mr. MORRIS: Not fifteen years ago, when the late Government was in power, those conditions prevailed in the county which I represent. I am proud to say that the electors of Chateauguay did not go begging to this or to any other Government. They got down to work; they plodded, and to-day they occupy a position that to me and to them is an honourable one. How have they done it? What has brought that about? They simply waited quietly until the policy laid down by the Conservative party would have its due and proper effect. They realized that great bodies move slowly, and that it would take time for that policy to have the effects which we are feeling to-day, and which, as our friends opposite know, do exist at the present time. These effects can be attributed to the beneficial operation of a protective policy. To-day those men realize that they owe their present condition to the policy of the Conservative party, under the exercise of which we have built up a home market. We have near us to-day the great market of Montreal, which is equal if not in advance of any in this great Dominion. We realize that had we not followed the policy that was laid down in 1879 by the Conservative party, that city would not be the city that it is to-day, and the farmers of my county would not have the market at their door which they have at the present time. The farmers of my locality understand that many products cannot be shipped abroad, and they have the market for those products at their very door. I feel satisfied in saying that they give credit to the Conservative party for having brought about those conditions.

From the arguments to which we have listened for the last couple of days, one

would almost be led to think that there was but one class of people in this country worthy of the consideration of this House, that is the farmers of the West. I have a fellow feeling with the farmers, I am a farmer myself; but I am of the impression that there is a number of so-called farmers in our western country, perhaps a large percentage of the wheat growers of the West, who do not merit the title of farmer. It is my impression, although I have never been there and speak only from what I have been told by men of experience, that a large percentage of the wheat growers of the West are not farmers at all but simply men who are exploiting our fertile western land. In due course of time the actual farmer will have to go in and build up, by a proper system of farming, the lands that are today being depleted or exhausted by a continuation of the one crop. For that reason I say that we are perhaps giving too much attention to what are called the farmers of the West. As I have said there are people in this country engaged in the business of farming. They have my sympathy, they should have the support and I am satisfied will have the support of this Government; but I maintain that the agitation that has been made before this House is not on behalf of the actual farmers but is in the interests of men who are exploiting our fertile fields of the Northwest. For that reason I think that it behooves this Government to be careful as to how they deal with this question of free wheat. In the early part of this session an hon. member read a paper on the floor of this House stating that the Canadian producers, or in other words the Canadian flour, was successfully competing in the markets of China with the products of our American neighbours. To my mind that gives a clue to the very great desire that our neighbours to the south have to get our wheat. What will be the result to the farmers of our western country? Our American neighbours are a far-sighted people. We know that from the fact that two years ago they offered us reciprocity. Fortunately the people of Canada were wise enough to see through that offer and were not ready to become an adjunct of the United States.

It appears to me that we would be doing an injury to the farmers of the West if we should allow our No. 1 hard wheat to go into the mills of the United States. The object is plain to me, they wish simply to raise the standard of their flour and eventually drive the Canadian competitor out of the foreign market. For that reason I would strongly urge this Government to be careful in regard to the question of free wheat. We have heard so much about that question and men have entertained such extreme views on it that I shall not pursue it further.

Another question that has not been dealt with to the same extent as I expected it would have been, is the rapid increase in the price of beef on the American side of the line. When I speak along this line I speak from actual knowledge and experience. As you know, the Montreal and Dundee railway runs through my county almost from one end to the other and runs pretty nearly parallel with the provincial boundary. I know for a fact that three years ago the bulk of the beef cattle that were taken to the market of Montreal were smuggled into this country from the state of New York and sent to Montreal by the railroad that I have spoken of. In one year's time what has brought about the changed condition of affairs? That question is more than I can solve, but it certainly was not a natural growth. The rapid increase in the price of beef was due to some cause that does not appear on the surface, certainly not a natural growth. I believe it has its sequel in the movement of troops and warships that has been taking place in the last few days into Mexican waters. It is my conviction that the almost unreasonable demand for beef cattle in this country arose from the demand for naval and military supplies. They were taken up regardless of quality, regardless of condition, regardless of disease. I know for a fact that we had diseased cattle in our community that were taken and we were told they were for canning purposes. I am firmly of the conviction that the movement of troops down into Mexican waters is the cause of the great demand for our beef for export to the United States; it was required to prepare our American neighbours for what will possibly take place within the next few months.

With regard to the high cost of living, I have only to say that I marvel at some of the arguments that have been adduced. I do not think that we have yet had any arguments advanced that prove to us that this or any other Government could solve that problem. In my opinion they will simply have to do as the farmers do in my county; that is they will have to wait until the conditions change, for then only can a satisfactory solution be arrived at.

It cannot be done by this Government. We are told that the tariff is the cause of the high cost of living. Who are the people who are suffering the most? We hear a great many complaints on behalf of the farmers, but in my opinion it is the labouring classes who are suffering the most from the high cost of living. How could we relieve that situation by abolishing the tariff? These labouring men are dependent upon the factories in our land for their living. Reduce or take off the duties imposed by the tariff now in existence and what will be the result? What would the men who are suffering do? We would have those charitable institutions and bread lines which have been spoken of in Montreal, before next spring. I trust that with the wisdom of the men who are to day at the head of affairs, these questions will regulate themselves and will, in due course of time, be solved.

On motion of Mr. Turgeon, the debate was adjourned.

On motion of Mr. W. T. White, the House adjourned at 11.40 p.m.

Monday, April 20, 1914.

The House met at Three o'clock, the Speaker in the Chair.

APPOINTMENT OF MESSENGER.

Mr. SPEAKER informed the House that he had directed the Clerk of the House to lay upon the table his recommendation and the report to the clerk in connection with the proposed appointment of Mr. Herbert D. Throop as a permanent messenger in the Library of Parliament.

PRIVATE BILL.

FIRST READING.

Bill No. 155, for the relief of Bertha Hetu.—Mr. Oliver.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

CAMPERVILLE AND WINNIPEGOSIS MAIL SERVICE.

Mr. CRUISE:

1. What is the name of the contractor for carrying the mails between Camperville and Winnipegosis, Manitoba?
2. When was the contract let and at what rate per year?
3. Were tenders called for? If so, what are the names of the tenderers and the amount of each tender?

[Mr. Morris.]

Mr. PELLETIER:

1 and 2. M. Delaronde has been performing the service temporarily since the first of January last at $520 per annum.

3. Tenders were invited for a permanent contract and the lowest tender has been accepted. The names of the tenderers and the amounts will be given when the contract has been signed.

NORTH RIVERSIDE POSTMASTER.

Mr. SINCLAIR:

1. Has any request been made to the Postmaster General asking for the dismissal of Charles McPherson, postmaster at North Riverside, Guysborough county, N.S.?
2. If so, who made the request?
3. Has an investigation been granted?
4. Will an investigation be granted?
5. If any complaint has been made against this postmaster, what is such complaint?

Mr. PELLETIER: It was represented to the department that the postmaster had been appointed by the late Administration, after its defeat at the general election, and another person was recommended for the office. It was found, on inquiry, that the facts were as stated, and the postmaster's appointment was, therefore, cancelled, and a new appointment made to the postmastership.

GRANTON AND ABERCROMBIE RURAL MAIL SERVICE.

Mr. MACDONALD:

1. Has a petition been received for a rural mail delivery route from New Glasgow through Granton and Abercrombie, Pictou county?
2. If so, has it been granted?

Mr. PELLETIER:

1. Yes.

2. The matter is now under inquiry and until such is completed and the inspector's report is received, the department cannot say whether or not the petition will be granted.

HAGERSVILLE POSTMASTER.

*Mr. LEMIEUX.

1. Has the attention of the Postmaster General been called to the fact that the postmaster at Hagersville is said to be carrying on the business of the Regal Gas Company in the same room as the post Office?
2. If so, what action has been taken?

Mr. PELLETIER:

1. Attention was called to the fact that the office of the Regal Natural Gas Company was located in the rear of the Hagersville post office, and the matter having been referred to the post office inspector, it has been ascertained that the business of the Gas Company is carried on, as stated, in the

rear of the post office, but that no postal business is conducted over the counter which is used for the Gas Company's business, nor is the Gas Company's business transacted through the post office wicket or the money order wicket of the post office; that a partition at one time between the postmaster's private office and the post office proper was taken out some years ago in order to make more standing room in the outside lobby of the office. With reference to the postmaster conducting the business of the Regal Gas Company at his office, the inspector cannot find that the business of the post office is in any way interfered with, and the inspector points out that many postmasters are in the habit of conducting private business in their offices and that this is not objected to so long as the post office business is not interfered with.

2. In view of this report the department decided to take no action in the matter.

RAILWAY FREIGHT RATES.

*Mr. LEMIEUX:

1. Has an application been made by the railway companies for each to appeal, before the Governor in Council, the recent decision rendered by the Railway Commission concerning freight rates?

2. Is it the intention of the Government to grant leave for this appeal?

Mr. FOSTER:

1. No.

2. Answered by No. 1.

STE. ANNE DES MONTS WHARF.

*Mr. LEMIEUX:

1. Has a contract been awarded for the construction of a wharf or landing pier at Ste. Anne des Monts county of Gaspé, Quebec?

2. How many tenders were received?

3. What are the names of the tenderers and the amount of the tender in each case?

4. Who obtained the contract?

Mr. ROGERS:

1. Yes.

2. Three tenders, two regular and one irregular.

3. Paul Raymond, Rimouski, Quebec, $99,785.70; John Burns, Ottawa, $112,000; J. B. Gallibois, Montmagny, $139,500.

4. John Burns. The lowest tender was not accompanied with a security cheque and was subsequently withdrawn.

PATROL BOAT HUDSON.

Mr. EMMERSON:

1. Did the Marine and Fisheries Department operate in its service during the past season the SS. Hudson, in what waters was it employed and what was the nature of the services or work of said steamer?

2. Who were employed as crew thereon during said season, and at what wages respectively?

3. When was this vessel laid up for the winter, where and under whose charge, and at what cost for the winter?

4. Were the members of the crew in whole or in part, discharged when the vessel went into winter quarters, or were they, or any of them retained on half pay during the winter months?

5. Is it the intention of the department to place this vessel in commission during the present or coming season? If so, will the crew or any of them be re-engaged or continued?

Mr. HAZEN:

1. Yes, off the east coast of New Brunswick. She was engaged in patrolling these waters to prevent violation of the fishery laws.

2. Captain C. A. Goodwin, $75 per month; Engineer F. H. Rayworth, $75; Cook A. Arseneau, $60; Deckhand A. Sandel, $50; Deckhand L. Trenholm, $50; Deckhand C. Petipas, $50.

3. On October 10, at Baie Verte, under the charge of Fishery Officer Robert Prescott, after she had been blocked up clear from ice danger. Cost of blocking her up, etc., was $42.

4. All but the captain were discharged. His services were retained until a seized boat, which was taken by the Hudson, had been disposed of. He received half pay for December, but nothing since.

5. Yes, after being converted into a gasolene boat. It has not yet been decided who will comprise the crew.

POULSEN WIRELESS SYSTEM.

Mr. LEMIEUX:

When is the Poulsen wireless system expected to be in operation?

Mr. PELLETIER: Shortly.

ACME AND CARBON MAIL SERVICE.

Mr. BUCHANAN:

1. Who has the contract for carrying the mail between Acme and Carbon, Alberta?

2. Did he secure the contract by tender? If so, how many tenders were received, who were the tenderers and what was the amount of each tender?

3. Does the individual who has the contract carry the mail himself, or did he sublet it? If so, to whom and at what figure?

Mr. PELLETIER:

1. Alexander Hay.

2. The department arranged for a daily service over the whole route in July last. The former contractor asked $1,235.30 per annum, but an offer was made by Mr. Hay at $1,184.62. As this price was considered reasonable for a daily service of forty-

four miles, it was accepted without inviting public tenders.

3. The department is not aware what arrangements the contractor has made for the performance of the service. He is allowed to employ competent couriers, but is fully responsible himself, and is being paid for the service.

GIASSON POST OFFICE.

Mr. LEMIEUX:

1. Did the Postmaster General receive the following petition:

'Province of Quebec,

'The undersigned ratepayers of the parish of St. Aubert beg to inform the Honourable the Postmaster General:

'1. That they are residents of the district where a post office has been recently established bearing the name of Giasson.

'2. That they never asked for the establishment of that post office, which is not needed and rather handicaps the service;

'3. That it is much easier for all the residents to have their mail delivered and sent through the office known as the Church post office, because they often go to the village to transact their business;

'4. That on Sundays they, being obliged to call at that office to get their mail instead of getting it at the Church post office, coming from the religious service, are delayed for their return home, and it interferes at the same time with the circulation;

'For the above reasons, the undersigned beg the Honourable the Postmaster General to abolish that office and give them the advantage of getting their mail at the Church post office, as they have always been doing up to now.

'St. Aubert, March 16, 1914.

'Signed: Cyrias Dubé, Joseph Bernier, Joseph Gagnon, Omer Gagnon, Aubert Fournier, Prudent Daigle, Desiré Daigle, François Daigle, Auguste Dubé, Joseph Dubé, Phileas Dubé, Honoré Robichaud, Wilfrid Robichaud, Xavier Robichaud, François Pelletier, J. B. Pelletier, Amable Pelletier, Octave Picard and Joseph Picard.'

2. What decision has been arrived at by the minister?

Mr. PELLETIER:

1. Yes.

2. Under consideration.

THREE RIVERS POST OFFICE.

Mr. BUREAU:

1. Who are the two men appointed in the Three Rivers post office to replace George Frigon and Auguste Cook?

2. What salary are they getting?

Mr. PELLETIER:

1. Arthur Lamy and Elzear Trempe.

2. $500 a year.

PHILLIPE GELINAS AND RAPHAEL LAJOIE.

*Mr. BUREAU:

1. Were Phillipe Gelinas and Raphael Lajoie, employed on the St, Maurice river in connection with the boom service, granted leave of absence from their work by the Minister of Public Works or any of the officers of the department, between the first and the eighteenth days of March, 1914?

2. If so, on what ground was such leave granted?

Mr. ROGERS: No.

GRAND' MERE SITE.

*Mr. BUREAU:

1. (a) Has the balance of the purchase price of the Grand' Mere site for a public building been paid? If so, when? (b) If not, why not?

2. Does this balance bear interest, or did it bear interest? If so, at what rate?

3. (a) Are there any buildings on this site? (b) If so, are they rented, to whom, at what rent per month, and (c) who are the rents collected by?

4. Have any plans been prepared for this public building? If so, when? If not, why not?

Mr. ROGERS:

1. (a) No; (b) title not yet complete.

2. Yes, at 5 per cent.

3. (a) Yes; (b) yes, to N. Javalos, $40 a month; J. A. Carignan, $12; Dr. Collins, $15, and Wm. Catto, $15; (c) rents collected by Mr. J. H. Desroches.

4. Plans are being prepared.

LAPRAIRIE RETAINING WALL.

Mr. LANCTOT:

1. Has the contract for the retaining wall at Laprairie been signed by Messrs. Duranceau and Poupart?

2. If so, what is the price of such contract?

3. Is the contract awarded at so much for the whole, or at the rate of so much per fathom for the stone and so much per cubic yard of macadam?

4. If so, what is the price per fathom and per cubic yard?

Mr. ROGERS:

1. Yes.

2 and 3. Schedule of prices for material, approximately $70,000.

4. Earth filling, 40 cents per cu. yd.; reinforced concrete, $10 per cu. yd.; stone riprap, $1.50 per sq. yd.; bed road, stone foundation, $1 per sq. yd.; roadway,, broken stone and gravel, 25 cents per sq. yd.

STEAM YACHT GUNHILDE.

Mr. SINCLAIR:

1. Has the steam yacht Gunhilde been purchased by the Government at Victoria, B.C.?

2. If so, from whom was she purchased and what sum was paid for her?

3. When was she built, and where?

4. What is her tonnage?

5. In what service is she to be employed?

Mr. ROGERS:

1. Yes.

2. Mr. W. H. Price for $12,000.
3. Built in 1906 at Quartermaster harbour.
4. 18·39 tons.
5. Quarantine service.

ST. JOHN-IBERVILLE BRIDGE.

Mr. DEMERS:

Is it the intention of the Government to have, this year, a sum of $52,000 revoted, which sum has been voted and revoted at every session for several years, being a subsidy towards the construction of a bridge between the towns of St. John and Iberville, county of St. John and Iberville? If not, why?

Mr. REID: It is not usual to indicate the intention of the Government with respect to items of proposed expenditure before the Estimates are presented to Parliament.

GEORGE MENARD.

Mr. DEMERS:

1. Was Mr. George Ménard dismissed as caretaker of dredge No. 2 on Chambly canal? If so, when?
2. Did his dismissal follow an investigation?
3. At whose request was he dismissed, and for what reason?
4. Has he been replaced? If so, by whom and on whose recommendation?

Mr. REID: George Ménard, caretaker of dredge No. 2, has not been dismissed.

UNOPPOSED AND UNDISCUSSED MOTIONS.

Mr. Lemieux.—For a copy of all claims against the contractor of the Tadoussac wharf, sent to the Department of Public Works, and of all correspondence and papers in connection with same.

Mr. Wm. Chisholm.—For a return showing all the post offices in the several counties in the province of Nova Scotia for which a rent allowance, or a rent, fuel and light allowance is made, specifying the amount of such allowance in each case.

Mr. Turriff.—For a copy of all correspondence in connection with the dismissal of A. C. Cameron, of Fairlight, Saskatchewan, from his position as mail contractor.

Mr. Buchanan.—For a copy of all letters, telegrams, documents, correspondence, agreements of sale, and transfers of title, in connection with ranges 21 and 22 in township 30, west of the fourth meridian.

Mr. Buchanan.—For a copy of the agreement between the Government of Canada and the Canadian Pacific Railway Company at the time the special land grant was made whereby the Canadian Pacific Railway Company were enabled to get their land grant in one block for the purpose of establishing their present irrigation system east of Calgary, province of Alberta.

Mr. E. Lapointe.—For a copy of all documents, correspondence, letters, petitions, reports, etc., exchanged between Dr. C. C. James, Mr. J. C. Chapais and each of the provincial Ministers of Agriculture, in connection with the distribution and the administration of the federal subsidy granted to the provinces for agricultural purposes since the granting of the same.

Mr. Macdonald.—For a copy of all letters, telegrams and other documents relating to the refusal of the Railway Department, or any official of the Intercolonial railway to permit employees of the railway at Moncton to attend the militia camp in the last year.

Mr. Graham.—For a copy of all correspondence between the Minister of Public Works, the Minister of Justice, or any other member of the Government, and any person or persons, relating to the location and erection of the new post office in the village of Eganville, county of Renfrew.

Mr. Lemieux.—For a copy of all papers, petitions, letters and telegrams concerning the change of site of the post office at St. Lazare village, county of Bellechasse, Quebec.

Mr. Macdonald.—For a copy of all letters, papers, contracts, memoranda and other documents relative to the mail contract between Pictou post office and railway station, between the Post Office Department and Peter Foley.

Mr. Macdonald.—For a copy of all letters, papers, tenders and other documents in regard to the purchase of any car for the Intercolonial railway during the years 1912 and 1913.

Mr. Buchanan.—For a copy of all documents, letters, telegrams, papers, Orders in Council and agreements of sale, in connection with the sale by the Government of Canada of the following lands in the railway belt in British Columbia, viz.: townships 23 and 24, range 18; townships 23 and 24, range 19; townships 24 and 25, range 20; townships 25, 26 and 27, range 21; townships 26 and 27, range 22, all west of the fifth meridian.

Mr. Neely.—For a copy of all correspondence, letters, documents or other papers relating to the cancellation of the entry of R. Bannatyne for the northwest ¼ of section 24, township 35, range 18, west of the 2nd meridian.

Mr. Sutherland.—For a return showing:

1. The date of the incorporation of the Canadian National Bureau of Breeding, Limited, with the names, addresses and occupations of the charter members of said company.
2. The amount of capital of the company and the number of shares into which it is divided.
3. The number of shares taken from the commencement of the company up to the date of the return.
4. The amount of calls made on each share, the total amount of calls received, the total amount of calls unpaid, and the total number of shares forfeited.
5. The names, addresses and occupations of the persons who have ceased to be members within the twelve months next preceding, and the number of shares held by each of them.
6. The amount of money paid to said company by the Government in each year since incorporation.

Mr. Sutherland.—For a return showing:

1. The date of the incorporation of the National Live Stock Exchange.
2. The names, addresses and occupations of the charter members of said company.
3. The amount of capital of the company and the number of shares into which it is divided.
4. The number of shares taken from the commencement of the company up to the date of the return.

5. The amount of calls made on each share, the total amount of calls received, the total amount of calls unpaid, and the total number of shares forfeited.

6. The names, addresses and occupations of the persons who have ceased to be members within the twelve months next preceding, and the number of shares held by each of them.

Mr. Lachance.—For a return showing:

1. Whether the rural postal delivery service has been started in the county of Quebec; if so, when and in what parishes of said county?

2. Whether public tenders have been advertised for such service; if so, when, how many were received and from whom, the amount of each tender and what tender was accepted?

3. The price of the accepted tender, the name of the tenderer, the conditions of payment and the length of the contract?

THE BUDGET.

Consideration of the motion of Hon. W. T. White (Minister of Finance) for the House to go into Committee on Ways and Means, resumed from Friday, April 17.

Mr. O. TURGEON (Gloucester): Mr. Speaker, before making any criticism of the Budget Speech delivered by the hon. Minister of Finance (Mr. White) on the 6th day of this month, I wish first of all to congratulate the minister on the sincere and honest way in which he made his exposition of the financial affairs of this country. After years of increasing surpluses and expansion of trade in this country the hon. minister was confronted with months of depression which brought about a decrease in trade and an increase in the public debt, and he is to be congratulated upon not resorting to mathematics to cover up the actual state of affairs. He frankly told the country that the public debt had increased by nearly $20,000,000 during the last fiscal year.

He told us that the fiscal year 1912-13 was characterized by the greatest expansion of trade the Dominion had ever known, and that the revenue in that year had been increased by $32,581,686.09—from $136,108,217.36 in 1911-12 to $168,689,903.45—and the minister reminded us that in that year he had a surplus of over $56,000,000 with which to meet capital and special expenditure. In the year 1911-12 he had been favoured with the great surplus of $37,000,000, and in the year 1913-14 he had a surplus of $36,500,000. The hon. minister admits that he has been favoured with the three largest surpluses in the financial history of Canada. The last six months of the year ended on the 31st of last month have not been so favourable, and for those months he has had to show fast decreasing revenues. The hon. minister placed upon 'Hansard' a tabular statement showing the revenue by months. Notwithstanding an increase during the first six months of the year, there was a decrease of $10,538,000 in 1913-14 as compared with the previous year. The hon. minister has shown that the year just ended gave a revenue of $168,000,000, but notwithstanding that there was an increase in the public debt of Canada of $19,000,000.

The hon. Minister of Finance has had in the past thirty-six months surpluses amounting to $129,500,000. That is a very large sum of money. It is enough to build the Georgian Bay canal which our departed friend the ex-Minister of Public Works (Mr. Monk) promised to the people. In the election of 1911 he told his constituents that work on the Georgian Bay canal project would be commenced the day after his party came to power. Three years have passed and the hon. Minister of Finance has had surpluses amounting to over $129,000,000 but the Government have not made a start on that great project, even if they have given it any consideration at all. I am sure that the delegation which interviewed the Minister of Public Works last Wednesday, and which was composed of men representative of the whole Dominion, found that the Georgian Bay canal had not only not been commenced but was very far from being commenced. The Minister of Public Works announced that the canal would be built only on condition that the commission recently appointed reported favourably on the commercial feasibility of the project. I can understand a Government referring the engineering side of a project to an engineer, but I cannot understand why a responsible Government put on the shoulders of a commission the responsibility of deciding as to the commercial value of any project. The hon. Minister of Trade and Commerce (Mr. Foster) told us six or eight months ago that this country was flooded with commissions. I do not know whether he did anything to prevent this new commission being appointed. In my opinion, there is absolutely no reason for its existence. The Government of this country should take the entire responsibility for deciding as to the commercial value of the Georgian Bay canal. I regret that the Minister of Public Works stated that if the commission recommended the construction of the canal, it would be built, and that if they condemned it, it would not be built. I cannot understand how a responsible minister of the Crown

can make such a statement. Speaking for myself, I may say that even if the negative report of that commission is binding on the Government of the day, it will not be binding on the Liberal party. The Welland canal would be to the advantage of the United States as well as of Canada, and of the two countries the United States might perhaps reap the greater benefit. The Georgian Bay canal, however, is purely a Canadian project. It would carry not only the products of the Canadian West but of the western states of America. It would bring a considerable portion of American trade through Canadian channels and in that respect is just the opposite of the other route. As I said, the negative report of the commission will not be binding on the Liberal party.

The Minister of Finance was forced to announce to the House that during the last six months of the past fiscal year our revenue had decreased. It is probably unnecessary for me to point out that had it not been for the action of the United States, in giving us a free market for our lumber, our fish, and our cattle, the Minister of Finance would have had to announce a still greater decrease in revenue. If our prosperity in recent months has been greater in the East than it has been in the West, that is due to the fact that the American tariff has so favoured our fishermen, in giving them free access for their fish to the United States markets, that they have been able to obtain better prices than ever before in their lives, and with their increased prosperity they have been put in a position to enjoy more of the comforts of life, and to buy more imported goods, thus contributing to the revenue of the country. The opening up of the United States market to Canadian lumber has saved the lumber trade in New Brunswick, coming as it did when the British lumber market was stagnant. But this is not due to the Conservative Government or to the Minister of Finance; in fact, it was done in spite of them. Had it not been that the tariff in the United States was reduced on some of our great natural products, the Minister of Finance, instead of having to announce an increase in the net debt of $19,000,000, would have had to announce an increase of probably $24,000,000. And notwithstanding this increase in our net debt, there has been no very remarkable increase in the expenditure on useful public works. When the Conservatives attained office the National Transcontinental railway was almost completed, and only a few million dollars remained to be expended on it.

I call your attention, Mr. Speaker, to the fact that a large portion of our revenue during the two years of the Conservative régime, has gone year after year in expenditure on the militia, the expenditure on which has now reached the enormous sum of $11,000,000 per annum. And this, in spite of the fact that in 1909, when the Right Hon. R. L. Borden was leader of the Opposition, he criticised the expenditure of the then Minister of Militia, in the Liberal Government, because it had reached $6,000,000 a year. I cannot myself see the necessity of this huge expenditure on armament, considering that the only neighbours we have are the most peaceful people in the world, which is proven by the fact that we are now celebrating the end of a century of peace with them, and I hope preparing for the opening of another peaceful century. Personally, I have as great respect for my right hon. friend the Prime Minister as any member on his own side of the House, and for fear I might exaggerate his sentiments I quote his words, as reported in 'Hansard' of March 29, 1909:

> So that if you look at the amount expended on both military and naval defence, you find Canada pretty well up to the standard of all the great self-governing dominions of the empire. But, I would venture to submit that our expenditure has, to some extent, been appropriated to the wrong purpose. What is the object of our military expenditure? I know that my hon. friend the Minister of Militia and Defence (Sir Frederick Borden) has stated in the House that the military expenditure of this country is not larger than is necessary for the aid of the civil power. I would hardly think that an expenditure of $6,000,000 annually would be necessary for that purpose, and, while I am not prepared at the present moment to lay down any figure which would be a proper amount for the people of Canada to set apart for the purpose of defence, I do most unhesitatingly say that of the portion which the people of Canada should set aside for that purpose out of their public revenues, a very substantial portion, and, in my opinion, not less than one-half of the amount appropriated for defence, should be devoted for naval instead of military defence.

A few short years ago, the Prime Minister, when leading the Opposition, thought that $6,000,000 was too much to expend on the militia; he said that one-half of it would be enough and that the other half should be devoted to naval defence. But to-day, under his Government, the militia expenditure which was then $6,000,000 a year, has gone up to $10,000,000, and not one cent of it goes towards naval defence for the

benefit of the empire, about which we heard so much last year.

During the fifteen years of Liberal administration, hundreds of thousands of settlers were brought into the Northwest, and these settlers, consuming the products of the East, contributed to the prosperity of the country as a whole. In 1896 the population of Canada was scarcely 5,000,000 people while in 1911 our population amounted to 7,200,000. In 1896 the net debt of Canada was $258,497,000, and in 1906, ten years after, under the Liberal administration, the net debt was only $267,042,000, an increase of $8,545,000 in ten years, notwithstanding that during that decade there was the greatest prosperity and progress the country had ever seen. From 1906 to 1911 there was a period of great expansion and railway construction. There were subsidies to railways, throughout the length and breadth of the land, and there was the construction of the National Transcontinental railway to be provided for, and although the Liberal Government spent $146,000,000 on the National Transcontinental railway yet all the expense of railway construction generally and one-half the expenditure on the Transcontinental were paid out of the ordinary revenues of the country. Notwithstanding the heavy expenditures by the Liberal Government for great and useful public works, the increase in population had lifted the burden of debt from $52 per head of the population in 1896, to only $45 per head of the population in 1911. Any unbiased man who studies the record of the Liberal party from 1896 to 1911, must admit that no country in the history of the world had ever equalled the progress made by Canada during these years.

It was a prosperity of which we constantly heard, and the people were happy and contented at that time. Great as was that happiness and prosperity, when my right hon. friend the leader of the Opposition, then the leader of the Government, attempted to enhance it, hon. gentlemen who were then in the Opposition rose on their seats and said: We are prosperous enough; leave well enough alone. Not only did they say that in this House, but they prevailed upon their friends to repeat the cry throughout the country. Well enough has been let alone, and one consequence is that the net debt of the country has increased to between $19,000,000 and $20,000,000. The people will not leave well enough alone when next they get an opportunity of pronouncing their opinion, but they will do better for the country, as my right hon. friend the leader of the Opposition intended to do.

I wish to express my views upon the situation which confronts us to-day and upon the future of the country. I will not attempt to make a dissertation upon the principles, theories and doctrines of protection and free trade. There are men better qualified to discuss these important questions in this House and in the country. My learned and scientific friend from Red Deer (Mr. Clark), whom we are all so well pleased to see back in his seat, gave us his views upon the position and aims of democracy at the beginning of this twentieth century in America and in Great Britain. We heard last week from my hon. friend from Rouville (Mr. Lemieux), who expressed his opinions upon these topics. We heard the other night from my hon. friend from Westmorland (Mr. Emmerson), who also gave us his ideas on free trade, democratic institutions and the protection of the people against the privileged interests. Therefore it is not necessary for me to enter into a dissertation of that character.

We all know that the goal and ambition of all nations should be free trade with one another, not only because the principle is sound as a matter of economics, but more particularly because it is the principle which is most conducive to the moral elevation of the people inhabiting the different countries, makes for universal peace, friendly intercourse and brotherly feeling between nation and nation and benefits mankind generally. It must be remembered that free trade in its various forms has always appealed to the most thoughtful men of the great Christian nations, and has found powerful advocacy on the part of those who have been known as the leaders of freedom—freedom for the masses of the people in the exercise of their mentality and religious principles. It is a doctrine which appeals to men and to nations in proportion to their moral standard, brotherly feelings, charitable inclinations and high ideals of civilization. This truth is strikingly exemplified at the beginning of this twentieth century by the fact that the greatest free trade nation today is also the most Christian of the world —the great British nation. If I wished to take man as a standard in order to illustrate the view which I am endeavouring to

put forward upon this subject, I would point to the great Napoleon, who proved himself to be not only an able general but a wise economist, and who devoted his energies in the intervals between his military campaigns to making treaties of commerce which were nothing else than offers of free trade to those powers which he regarded with a friendly eye. If in these efforts to establish free trade relations the great general of the time omitted England, it was because he did not want to make treaties or establish commercial relations with that nation. Napoleon hated England and his selfishness overcame his better feelings. You can judge men as nations and here you have that great conqueror of modern times offering free trade to the nations he loved and erecting a protective wall against the one nation that he abhorred. Free trade is synonymous with generosity, brotherhood, humanity; protection means selfishness and egotism. That is the nature of the one principle and that is the nature of the other.

I admit that with the conditions that prevail in this country, that with the nations around us, either close to us or far away, and because we raise our revenue by indirect taxation, this country cannot have absolute free trade with the nations of the world, but, nevertheless, it remains the duty of every Canadian, every member of the Government and every party in this country to see that free trade in its direct sense be extended more particularly to the masses of the people, whether on the farm or in the city, who devote their time and energies to the production of those natural commodities which are necessary to keep body and soul together.

But we are told by hon. gentlemen opposite, and by some of the Tory papers which I have time to look at once in a while, that we are advocating free trade to-day, whereas, when we were in power, we did not advocate free trade. I say that from the day the Liberal party came into power in 1896 the leader of the late Government and his party showed their inclination to change the condition of things as rapidly as possible. Without spending any time over the individual items in the tariff which were changed, I will merely say in a general way that it was reduced in a great many instances especially on many articles which are the necessities of the mass of the people. The tariff was reduced to a considerable extent and especially with the object of extending to the mass of the people a great privilege which had been denied to them up to that time.

The one great effort of the Liberal party in the direction of free trade was the inauguration of the British preference of 25 per cent and which was increased during the following year to 33⅓ per cent. Although our friends on the other side of the House wished to make little of the British preference, I say that it has increased our commercial relations with the mother country and it has also given to the workingmen of Great Britain millions of dollars every year by way of additions to their income derived from the goods that we have purchased from them. Our friends on the other side of the House have been opposing the principle of the British preference. They claim a monopoly of loyalty but when you want to do something that will help the millions of workingmen of Great Britain, these hon. gentlemen rise up and object. They want to have free trade with Great Britain, but on the one condition that Great Britain shall put a tax on the workingman's food imported from other countries in order to allow our products to enter Great Britain free of duty and thus enjoy a preference in the British market. They want Great Britain to hamper the trade relations which she has established with other nations and to restrict those influences of civilization which must impress themselves on every nation that has the privilege of dealing with her. They tell us that when we were in power we did not do much to bring about the removal of customs duties. But there were obstacles in our way. While the right hon. leader of the Opposition (Sir Wilfrid Laurier) was in power he was willing to extend the principle of free trade as far as possible in the interest of the masses. Yet everybody knows that he was handicapped by the fact that the markets of the republic to the south of us were closed against us. For instance, it would have been unwise to remove the duty on agricultural implements at that time, because the United States maintained prohibitive tariff duties. And so it was with many other things. But the right hon. gentleman looked forward, as had all Canadian statesmen up to that time, to the establishment of reciprocal trade relations between Canada and the

United States. And when the offer of reciprocity came from the United States, the right hon. gentleman accepted it. And I need not take up time to show that for all practical purposes the offer made by the United States to Canada was exactly that which that great leader of the Conservative party, Sir John Macdonald, had made to the United States, placing it upon our statute book as a standing offer of reciprocity. And it is well known that just before his death Sir John Macdonald declared that while he had not been able to secure the opening of American markets for Canada, he hoped the time would soon come when that condition of affairs would be brought about. But before this offer from the United States came, my right hon. friend (Sir Wilfrid Laurier) was justified in not humiliating Canada by taking steps towards reciprocity which our previous experience led us to believe would not be cordially received. Practical experience compelled the statesmen of the United States to see that they could not go on expanding while keeping their markets closed against the goods of other nations. And when the offer of reciprocity came, who will say that the leader of the Government of that day was not justified in accepting it? I ask any man in this House, Liberal or Conservative, if it is not strictly true to say that up to that time there was but one sentiment on that subject in Canada, and that was in favour of reciprocity. So the right hon. gentleman accepted that offer and asked the people of Canada to ratify it. It was not ratified. For one, I greatly regret the result of that appeal to the people. A mistake was made, not by the leader of the Government of that day, but by the majority of the people of Canada. But I am confident that the people of Canada are prepared, at their first opportunity, to undo their mistake and to accept the offer made them of freer trade relations between this great country of ours, which soon should have a population of fifteen millions, and the great nation to the south of us.

4 p.m.

The changes that have been proposed, and that have been made, have brought about a different condition of affairs from that which existed under the late Government, and we cannot see the case in its true light if we do not change our point of view with the change of circumstances. The offer of reciprocity, if accepted, would have meant that our farmers would have had free access to the markets of the United States with wheat, rye, oats, barley, and other grain. They would have had free access to that market for their horses and other live animals, for cheese, butter and other dairy products. There would have been reciprocal free trade also in fish and lumber. We have free fish and free lumber to-day by the action of the United States Congress, but the farmers of the West have not free wheat. Hon. gentlemen opposite may say: Wheat is reduced 10c. a bushel. But that 10c. a bushel is enough to shut the wheat out of that market. Had the farmers of Canada an opportunity to sell free from that duty of 10c. a bushel, the difference would be all the difference between a profit and no profit. And the western farmers especially would be encouraged to carry on his farming with greater enterprise and vigour by reason of the profit which this 10c. a bushel would represent. And so with oats. There is a duty of 6c. a bushel on oats, and the removal of that duty would mean a profit and an encouragement to the Canadian grower. Under the reciprocity pact, the farmers of Ontario and Quebec would have had free access to the markets of the United States with butter and cheese as well as with milk and cream. To-day milk and cream are free, but there is a duty on butter of 2½c. per lb., and the same with cheese. And what is the position for the implement manufacturer? Under the reciprocity pact there would have been a reduction in our duties of 2½ per cent. Hon. members opposite are claiming great credit to this Government for having reduced the duties on certain agricultural implements by 5 per cent. But the Americans have taken off their duties on these goods, thus opening their markets to our manufacturers. Under reciprocity all the benefits secured would have gone to the farmers, but at present the one to benefit is to the manufacturer. The farmer to-day cannot buy agricultural implements free of duty, but the Canadian manufacturer can exploit free of duty the American markets with its hundred million of population. When I speak of the farmers, I include the farmers of the East as well as of the West. Although the farmers of the East do not cultivate their land to as large an extent as the farmers of the West do, they are progressing from year to year, but upon the prosperity of the western farmers largely depends the progress and development of the East. Our friends on the other side claim that they are giving a great

benefit to the farmers of the West by reducing by 5 per cent the duties upon mowers and two or three other implements used by the farmers of the prairies, but I would point out that the duties upon these articles would amount to only one-third of the tariff collected on the various other articles—rakes, spreaders, and so on—used by the western farmers. Intelligent Canadian farmers will not look upon this reduction as a benefit; they will look upon it with shame as coming from a Government which should have more generosity, but which has as its policy the protection of the manufacturer. For the last fifteen years the manufacturers of agricultural implements in this country have had the benefit of a drawback when they have exported their products; under the tariff which has existed in Canada they have been able to compete in the different markets of the world. In spite of a tariff of 15 or 20 per cent they have been able to compete with the United States; they have been able to compete with the manufacturers on the market of Australia and on the market of Great Britain. Yet they say that they cannot exist unless there is a wall between the farmers of western Canada and the people of the United States. I say it is high time that the people of Canada opened their eyes to the situation; it is time that hon. gentlemen of this House realized that the farmers of the West should have free wheat and free agricultural implements as well.

Our friends say that free wheat and free flour must go together and that we should not accept the offers made by the United States. I wish to draw your attention, Mr. Speaker, to the fact that under the patriotic administration of Woodrow Wilson the United States last year put into force a tariff to benefit the masses of the people; to benefit the farmer and the millions of workingmen in the cities. In doing this they left open to the other nations of the world an offer of reciprocity if those other nations would remove the duties. In the matter of wheat and flour they have said not to Canada only but to any nation which has imposed a duty upon these products, that if they take such duties off, the United States will open its markets to them. Argentina, another farming country producing large quantities of wheat, lost no time in accepting that offer of the United States; in taking the duty off wheat and getting the benefit of the large market of the United States. In doing this Argentina has surely shown no lack of loyalty; nor would we show any lack of loyalty in accepting, for the benefit of the western country, this offer which was made to the world at large. We produce 500,000,000 bushels of grain; the time is coming when Canada will produce over a billion bushels of grain and we will need larger markets for that enormous production. Is it not a wonder that there are in this House and in the country gentlemen who are so much concerned with private interests that they say: We should not trade with the United States; we want to preserve our fiscal independence. How would the Canadian lose his fiscal independence by taking advantage of the offer made by the United States? The Englishman is a businessman all over the world; he goes across every ocean and trades on every soil and in doing so he lacks no loyalty to Great Britain, and does not fail to recognize her greatness.

Our friends say: We will have to instruct the farmer and wait until he gets the benefit of our instruction. I am for instruction all the time in every branch of activity. Technical education has no stronger advocate than the modest member for Gloucester. I hope—particularly after having read the report of Dr. Robertson on technical education—that some day Canada will have a realization of the necessity of education in every walk of life. Our friends say they will educate the people with the $1,000,000 a year given by the Minister of Agriculture, and the $12,000,000 given by the Minister of Militia for the purpose of teaching the children of the nation how to kill their neighbours. That is a great education for the farmer. We want education, but we want it in the right way, we want to have it exerted in the proper direction.

Our friends on the other side say: If you do not give protection to the manufacturer we will have destitute homes in our cities. I would like to ask the hon. member for North York (Mr. Armstrong) who made that statement if these agricultural implements are for the use of the workingman in the city? They are for the use of the farmers and the wider market the farmer has the more implements he will use. The way to benefit the manufacturer of agricultural implements is to open the markets of the world to the farmers. The farmer, having a larger market for his products, will then use more implements, and the manufacturer will reap the benefit. The rejection of reciprocity by the people two years ago resulted not only in the farmers of the West losing $20,000,000 upon their crop but in the manufacturer losing the benefit of the larger demand for implements

on the part of the farmer which would have resulted had reciprocity gone into effect. The manufacturers of Toronto, who are demanding a protective tariff and who do not want to see the markets of the United States opened to the western farmer, would have benefited by the increased demand for agricultural implements. And what loss would our country suffer by the free admission of flour? Our home market is, of course, necessary for the farmers; but we must also seek markets in other countries. If our producers were satisfied with the home market they would not have the opportunity for expansion of trade which is essential to their prosperity. It is the right and the duty of farmers and producers to seek an entrance to the markets of the world.

Mr. BURNHAM: Hear, hear.

Mr. TURGEON: I am glad to be supported by the hon. member for Peterborough. He has both producers and manufacturers in his constituency, and he has intelligence and patriotism enough to appreciate and acknowledge the force of what I have said. Flour is used by every man, by the poor workingman just as by the rich man; and if you have any feeling or sympathy for the hard-working man in the cities, in the factories, on the railroads, in the ships which carry the product of farms to the market, the hard-working men of the eastern provinces as well as of the west, you should give them free flour. The farming section of the community must, of course, be looked after, but we must also care for the working men in the large cities. We know that during the year 1912-13 $10,000,000 has gone into the treasury of Canada from taxation upon food entering this country. If that $10,000,000 had been saved to the tax-payers of this country, if it had been left in the pockets of the people, more particularly those in the cities who toil for their daily bread, it would have been a great benefit to the masses of the people. It must be remembered that this tax on food is collected chiefly during the hard season, the winter, when Canada does not produce either eggs or vegetables. It presses hardest on the workingman, because he requires more on his table than the rich man, and it is generally the poor man who has the large family. The loss to the revenue need not stand in the way of this necessary reform. Piling up a large surplus is of no benefit to the country, as is illustrated by the record of the present Government. The Minister of Finance had surpluses for the first two years, but this year he adds $20,000,000 to the public debt, so that we are no better off than if we had not had the surpluses in the other years. Other countries not so great as Canada have seen the necessity of removing the duty from food products. The little colony of Newfoundland last year, moved by the same spirit that animates the Liberal party in this country to-day, in order to help their workingmen, in order to help their fishermen, took the duty off a great many articles of food which were most necessary to the fishermen of Newfoundland. They lost last year a revenue on these articles of $360,000, which is as much for that little colony, with a population about equal to that of the province of New Brunswick as $10,000,000 for the people of Canada. Nevertheless, last year the shortage of revenue has been only half that amount and the colony of Newfoundland has been able to close her fiscal year with a surplus of $115,000, equal, in proportion, to the great surpluses of our Finance Minister in Canada. I wish to read a brief despatch from St. John's, dated February 25:

> In the assembly to-day the Finance Minister presented the colonial Budget, showing that the revenue for the fiscal year ended last June was $3,920,000, giving a surplus of $115,000, while for the current fiscal year duties totalling $380,000, having been removed last session from tea, sugar and salt beef, the customs revenue now shows a shortage of $130,000, or much less than expected.

What has taken place in the little colony of Newfoundland where the people have removed the duties from the necessities of their working men at the expense of a decrease in the general revenue is surely an example to us. The removal of the duty on these foodstuffs has not produced a very serious decrease in the general revenue, and living has been made cheaper for the people of the island.

It has been said that wheat and flour are not in the same position because, in the proposed reciprocity agreement, a duty had been left on flour on account of a corresponding duty on coal in favour of the Maritime provinces; but to-day the same condition does not exist, as bituminous coal is admitted free to the United States market. Therefore it is said there is no necessity for us to consider that arrangement farther and that if the United States is willing to make our wheat and flour free, we should accept their offer in accordance with the

persistent agitation of the farmers of the West. When I ask for free wheat, I, coming from the Maritime provinces, ask it because I know that it will be to the general interest of the country as well as to the particular interest of the provinces of the West. Our prosperity depends upon the prosperity of the West. Our harbours are enriched by the commerce of the West, and the greater the prosperity of the West the greater the prosperity of the eastern people.

Much has been said of the bounties on iron and steel. The Liberal party paid bounties on iron and steel during fifteen years, decreasing the amount on a sliding scale so that the bounties eventually ended in 1911. I admit that it may have been necessary to give such bounties during a certain length of time; and the period of great prosperity which we enjoyed under Liberal rule was probably an opportune time to give assistance to this great industry, particularly in view of our close proximity to the market of the United States.

I ask you, Mr. Speaker, whether this industry, which has been receiving aid from the people for about twenty-five years, is not now able to support itself? Sir John A. Macdonald when he introduced the National Policy said that protection was for the infant industries of this country, and it was his hope that after a certain number of years those industries would grow up and be able to take care of themselves. Suppose I brought a man of the age of thirty years to my scientific friend from Souris (Mr. Schaffner), who is always smiling in his wisdom, and said: This man has been nursed and protected for thirty years, but he cannot live without further protection. I am sure my hon. friend would be apt to class him as an incurable who ought to be sent to the state hospital. Why should our people be called upon to give further bounties and protection to industries that have created so many millionaires? What the producers of to-day want is larger markets rather than protection. Larger markets would enable the farmer to sell more, wear more and buy more. We on this side of the House are not the only ones who have been trying to get reciprocity agreements. My hon. friend the Minister of Trade and Commerce made an agreement with the West Indies. We all like to see trade agreements with British possessions, but the result of that agreement is not to be compared with the increase of trade that we should have had under the reciprocity agreement with the United States.

The Minister of Finance has taken it upon himself to give certain benefits to the importers of stone; he has reduced the duty on rough stone to five per cent. The hon. member for Westmorland (Mr. Emmerson) has already referred to that, and I just wish to corroborate what he has said. In my county, as well as in other parts of New Brunswick, there are large stone quarries having a market in Montreal and other Canadian cities. These quarrymen claim that the reduction of the duty on rough stone will be to the great disadvantage of the stone producers and even the stone cutters of Canada. They say it will benefit large building contractors but that it will not benefit the stone cutters because these contractors use stone cutting machinery doing away with the labour of the stone cutters. I, therefore, enter my protest against changing the duty on stone.

I wish to say a few words about iron ore, which was the subject of debate in this House some time ago. The Minister of Finance in his budget gives no idea of what he intends to do. He says he is referring the matter to a commission under the Department of Mines. I do not think that a high tariff on steel or iron products would benefit to a great extent the iron ore producer in this country. In Bathurst we have a large iron ore deposit, perhaps the most extensive in Canada. It is considered of great value. The owners have spent a large amount of money in developing the property and have already installed a concentrator, to which I would like to direct the attention of the Minister of Finance if he were in his seat. Our importation of iron ore is small as compared with the amount of iron ore in Canada. It is true that the report of the Department of Mines for the year 1913 shows that a large amount of ore was imported, namely 1,942,325 tons valued at $3,877,824. It must be remembered that out of that 1,942,000 tons, 1,605,000 tons came from the Newfoundland mines, and was chiefly used by the Sydney people. It would perhaps benefit Newfoundland if she kept her ore and manufactured it within her own borders, but this ore comes to us from a British colony, which I hope will be part of Canada before many years have past, and so I do not consider it in the same light as foreign ore. Notwithstanding the many difficulties there are to-day in the way of Newfoundland joining Confederation, I firmly believe that not many years will elapse before the ancient colony will find it to her own benefit, as it will be to the benefit of Canada and to the benefit of the British

Empire, to enter the Dominion. The Minister of Finance told us that Canadian ore was supposed to be inferior to ore obtained in the United States, but I call attention to the fact that the Bathurst iron ore is of the very highest quality and is now being sent to the American market in increasing quantities every year, until last year the export to the United States amounted to 86,000 tons. I would point out to the Minister of Finance that the heads of the Mining Department, such as Dr. Haanel and others, are well aware of the quantity and quality of the ore from the Bathurst mine. I trust when the Minister of Finance appoints the commission of mining experts, he will see to it that that commission shall take measures to compare the quality of the Bathurst iron ore with that produced elsewhere. I would remind the Minister of Finance that the Canada Iron Ore Company has established at Bathurst a concentrator which has proved most beneficial, and the ore, after treatment, is now shipped to the Philadelphia market and is used in the manufacture of the most refined steel and iron products. That concentrator has cost the company $130,000, and the Bathurst ore is treated in this concentrator, so that only the pure ore is shipped to the American market, thus greatly lessening the cost of transportation. I would urge on the Finance Minister that if our iron ore industry is to be developed in this country, he should provide railway and shipping facilities, so that the cost of transportation may be reduced as much as possible. I ask permission, Mr. Speaker, to place on 'Hansard' a description of the Bathurst concentrator, which would be of great benefit to the members of this commission, when they are looking into the question of the treatment of Canadian ore.

Mr. SPEAKER: The practice of placing on 'Hansard' extracts which have not been read is usually objected to, and without the unanimous consent of the House it cannot be permitted.

Mr. LEMIEUX: The other day the hon. member for North Essex (Mr. Wilcox) was allowed to print certain statements in 'Hansard' without their being read, and nobody objected.

Mr. SPEAKER: I remember some days ago that a request was made by an hon. member to place a number of tabulated statements on 'Hansard,' and when they were shown to me afterwards it was decided that they should not be printed.

[Mr. Turgeon.]

Mr. TURGEON: Of course, without the unanimous consent of the House I cannot place the description of the concentrator on 'Hansard,' but I would mention that it is to be found in a publication of the Department of Mines entitled, 'Austin Brook Iron-bearing District, New Brunswick,' by Einar Lindemann, M.E.

In conclusion, after having reviewed the condition of Canada from 1896 to 1911, under the Liberal Administration, and having pointed out our position in this year, 1914, I say it is my firm belief that the policy advocated at the present time by the Liberal party is most conducive to the continuance of the prosperity which existed in the country before the Conservatives came into power. I assert with confidence that the policy of the Conservative Government offers no benefit to the masses of the people, to the farmers, or the workingmen, and it cannot, and will not, in my opinion, receive the endorsation of the people. I trust that before long the people of Canada will be given an opportunity to change their verdict of 1911, and if they should do so, I believe that a new era of prosperity will again dawn on this country.

Mr. WILLIAM SMITH (Ontario South): I have listened carefully to the remarks of my hon. friend (Mr. Turgeon) who preceded me, but it appears that the issues he raised have so long since been settled by the people of Canada that it will be unnecessary for me to refer to them. My only excuse for taking part in this discussion is that I have the honour to represent a riding that is perhaps as deeply interested in agriculture of all kinds, in grain-growing, in stock-raising, and in manufactures, as is any constituency in the Dominion. Some phases of the changes which were made touched that riding, and they are already having their effect. But I have to remember that that riding is not all of the province of Ontario, and I have to go a step farther and remember that the East is not the West, neither is it all Canada, and neither is the West all Canada. Canada is a fairly hard country to govern, covering large distances from one ocean to the other, and with a sterile section between the East and the West. I take it that the duty of the Government is to do as much as they can for as many people as possible.

I have taken the trouble to look over some of the 'Hansards,' and I find that some of the gentlemen who have preceded me took the ground that the tariff was

practically the same under the Conservative party from 1879 to 1896 as it was under the Liberals from 1896 to 1911. I think they were correct, but there was such a very great difference between the conduct of the two parties that I must allude to it this afternoon. Some of us can remember the very serious depression previous to 1878, when there was a change of Government. We can remember that the Government elected in 1878 tried as far as possible to carry out the pledges that they had given in Opposition, and that the moment the telegraph wires were able to tell the story of the changes made in the tariff by Sir Leonard Tilley a new life sprang into the breasts of the people of Canada. I came into Parliament in 1887; I had the honour of sitting upon this side of the House then, and I heard the leaders of the Liberal party talking about that tariff during all the years that I was in Parliament previous to coming back in 1911. What was their course, what was their conduct? They decried it in every possible way. They told this House and the country that it was doing the people an injustice. So much did the people believe it that those engaged in manufacturing, and those with a certain amount of wealth, were afraid to invest a dollar.

The Conservative party was defeated in 1896, and practically the same policy was continued from that day until 1911. We have been told that we had prosperous years during the reign of the Liberal party. I agree with the Liberals in saying that never perhaps in the history of Canada was there a greater period of prosperity. Why? It was because the Conservative party were loyal to their principles in Opposition as well as in power, and they stood at the back of the Liberal party when they were in power. Those who had money, those who had wealth, manufacturers principally, invested their money without stint, which accounts to a great extent for the prosperity we had during those years.

I have listened with some interest to the story told about the farmers. I happen to be one myself, and I have some knowledge of what I am talking about. I take the ground that as farmers we have as much right as any other class in Canada to contribute a fair share of the taxes of the country, and when we are told that we should have free trade in agricultural implements and wheat, I say let us be men enough to say that we are prepared to bear our fair share.

In regard to free wheat, it is perhaps generally understood that we cannot have free wheat without free flour. I think we have arrived at a period in the history of Canada when we are likely to grow more wheat in the West in the years to come than we have in the years that are past, and the chances are that the price of wheat will go down. What we want in the West is a levelling up such as we have had in Ontario. I happened to receive a letter the other day from a western gentleman in which he says:

> The crowd on the prairie that are shouting for 'free wheat' are a class of Americans who hardly knew Canada was a country until a few years ago. Constituted principally of men with local ideas, they seem totally unaware that the ultimate goal of Canada's wheat is Britain and that it is there the prices of Chicago and Minneapolis are set. If they were offered free wheat the probability is they would want an annexation rider attached to the agreement. As yet there lies before the leaders of Canadian thought the task of Canadianizing those people and this will not be accomplished by pampering to their local ideas, or fostering their attachment to the country south of us.

The other day the hon. member for Assiniboia (Mr. Turriff) trotted out a star witness. He impressed me with the idea that this man was wise in his day and generation. He stated that he had opposed the hon. member for Assiniboia during all the years they were together. That I could understand. The next point was that he was interested in an elevator, not in Canada, but across the line. Why did he want free wheat? Because he wanted to help the elevator in which he was interested. That was the star witness of the hon. member for Assiniboia.

I would like to refer to a statement made by the hon. Minister of Finance in his Budget Speech which appealed to me, and which appears to be the right position for the Canadian people to take. My hon. friend said:

> We believe it to be the true policy for Canada and for every part of it if we are to regard as desirable stable business conditions and a deversified national life throughout the Dominion. It means the development of our natural resources, the maintenance and extension of our industries, a fair wage standard for our artisans and a stable and profitable home-market for our farmers, thus justifying its name as a national policy.

The hon. the junior member for Halifax (Mr. A. K. Maclean) in criticising the statement of my hon. friend the Minister of Finance, said that the farmers of the North-

west would have a good deal more purchasing power if they could sent their wheat in free to the United States. Grant, for the sake of argument, that that statement was true, where would they buy? Would they buy on the other side or would they buy in the eastern provinces? I have no hesitation in saying that they would form business alliances with the people to the south of us and would trade with them and make their purchases from them instead of from the East. It appears to me that if there is one thing we want more than another, it is not reciprocity with the United States, but it is reciprocity between the different provinces of this country. What the farmers want more than anything else is that they shall control their own home market. If the manufacturers are in a position to pay their help a fair day's wage for a fair day's work and keep them at it all the time, that is very nearly all the protection that the farmer wants. If he controls his own market he has accomplished almost everything he may set out to do. I listened with a great deal of surprise to some of the statements which have been made in regard to agricultural implements. The point to my mind is this: are they to be made in Canada or shall they be made in the United States? I happen to live a short distance from a considerable manufacturing town in my own riding, the town of Oshawa.

After listening to these hon. gentlemen I have tried to reason it out in this way: would my farm and the other farms near that town be worth as much money if the Malleable Iron Works were done away with, if the Piano Works were removed, if the McLaughlin Works were closed, if the gas fitting establishments were taken away? If all this should happen, where would be our home market? It does appear to me that there is the answer to the whole argument in connection with agricultural implements—whether they shall be manufactured in one place or the other. I am bound to confess that my observations in the West leads me to believe that it will not make a great deal of difference whether they have free agricultural implements or not.

In this connection I believe that the hope of the West to-day is in mixed farming and not in growing grain. Why, to-day, it is reported they are sending hogs by thousands of dollars' worth to the East. That could not have been done a few years ago.

[Mr. W. Smith.]

Mr. WARNOCK: They are sending more to the United States.

Mr. SMITH: I was to going to make another statement in connection with the feeding of hogs, and I make that statement on the authority of a farmer who has been living in the West for a number of years and is engaged in hog raising. He says that at 7½ cents per pound live weight for hogs, he can make oats worth 67 cents per bushel. Surely there is an opening for the people of the West, and it might be a means of using a portion of their wheat as well. The hope of the West, at any rate of many sections of it, so far as I can see, is in raising live stock to supply the shortages which at times arise in the East, thus affording a basis of reciprocity between the provinces. I do not look forward with hope to selling a great many horses in the West as we have been doing. But we will turn or twist in some way, striving and hoping to be on top. I have said the hope of the West is in mixed farming; I say also the hope of the West is in better farming. I have always been impressed in visiting the West at harvest time to see the difference in the crops upon the land which is properly cultivated and the crops upon the land which is not properly cultivated. They start with virgin soil and with land, perhaps, better than that of Ontario; but still the time must come, sooner or later, when something must be done to keep up the fertility of their soil, and in order to do this they will find it necessary to go into mixed farming. And with mixed farming they will avoid the mistake of having all their eggs in one basket.

The statement of the Finance Minister, it seems to me, reasonably meets
5 p.m. the wishes of the people of this country and affords as much good as possible to as many as possible. That being the case, I for one am prepared to stand by it. Looking to the future and trying to size up this country, I do not fail to realize that Canada and the United States lie side by side,—and parallel lines we are told, can never meet—and, speaking for myself and only for myself, I hope the day is far, far distant, when any foreign country shall dictate the tariff policy of this Dominion of Canada. During 1911 we discussed all the phases of reciprocity; and it appears to me that the Liberal party now is asking us to do what they themselves did not do during the fifteen years they were in power. The tariff duties were

higher in some cases when they went out of office than when they came in. Had they been honest during these years, it appears to me, they would have followed exactly upon the line they are asking us to follow to-day.

So, Mr. Speaker, I have given my view of the Finance Minister's statement, and especially have I tried to explain my opinion on free wheat and free agricultural implements. Some may say that my position is an unwise one for a farmer to take in the province of Ontario. But I hold that the man who has not an opinion of his own upon questions of this kind is not worthy a place in public life. I would rather go down to-day than be false to what I regard as the best and highest interests of our country.

Mr. DAVID WARNOCK (Macleod): Mr. Speaker, I have listened with a great deal of interest to the speeches made in this debate, and I can assure you it has been a great pleasure to me to observe the active interest taken by hon. members to your right. I do not know whether this is due to the absence of the Prime Minister and the greater leniency of the acting Prime Minister, but I must congratulate hon. members on the Government side upon their emancipiation from the rule of enforced silence so successfully carried out last session.

I am pleased indeed to have the opportunity of following the hon. member for South Ontario (Mr. Smith). I know that he is an excellent judge of stock and a well-known stock-breeder, and I always like to meet a man of that kind. But I think I would rather depend on his judgment in matters of live stock than in questions of the tariff. I have to refer to many remarks made by hon. members who have preceded that hon. gentleman, and I will deal with what he said in connection with the several subjects as I come to them in the course of my address. But I wish, in the beginning, to deal with one remark of the hon. member. He said that the farmers in the West who were calling for free wheat were a class of Americans. I wish to tell him that thousands of those who are calling for free wheat are repatriated Canadians who were driven out of this country under the Conservative Government before 1896, and who have come back to the land of their birth, or they are the sons of such men. The hon. member also spoke about reciprocity between the western provinces. Surely we have reciprocity amongst all the provinces. But what is the good of reciprocity in wheat between Saskatchewan and Alberta ? It is another market that we are looking for.

The hon. Minister of Finance's Budget speech has created a feeling of intense disappointment among the people of the West. I desire to say also that the farmers of the West now realize that the sending of delegations to Ottawa is utterly useless. While mentioning this I should like to give my impressions regarding a large delegation that was here last week in connection with the Georgian Bay canal. I was in the Chamber when one gentleman, Mr. White, of Pembroke, I think, was speaking on that question, and I heard him say, in substance, this:

> I feel that delegations of this kind have little effect; we are just like bees buzzing around. But I have been a lifelong Conservative and an active supporter of the Conservative party, and I warn this Government that if they do not almost immediately begin the construction of the Georgian Bay canal at both ends and in the middle, something unpleasant will happen at the next election.

With the exception of the hon. Minister of Public Works, these remarks of Mr. White did not seem to have very much effect upon the members of the Government who were receiving the deputation. But the Minister of Public Works, who has a very deep appreciation of the value of votes, turned in his chair and gave Mr. White a keen, scrutinizing look in an effort to find out whether he was joking or speaking in earnest. I believe that the western farmers have formed exactly the same opinion of the value of the delegations as Mr. White expressed on that occasion, and I think it will be a long time before another delegation of western farmers visits Ottawa. But they are not going to sit down quietly under existing wrongs; they are taking steps to protect themselves. At the present time co-operative farmers' associations are being formed in Alberta and Saskatchewan for the purpose of mutual protection in the purchasing and marketing of their products, and I believe that at the next election this co-operative movement will be carried to the point of selecting and electing candidates who will be pledged to further, by their voice and vote in this House, the interests of the western farmer. Enough members will be elected at the next election from the prairie provinces to compel the Government, no matter what party may be victorious, to take some cognizance of the demands of the western farmers. We recognize the

fact that under the present Government a half dozen manufacturers can come to Ottawa and have more influence in shaping the Government's policy on the tariff questions than a delegation of 20,000 farmers could have. I repeat that the farmers of the prairie are preparing to protect themselves by sending to Parliament representatives pledged to further their interests. They are tired of representatives who will talk in favour of a measure and then vote against it.

The member for North Essex (Mr. Wilcox), speaking a few days ago, gave the Conservative party great credit for constructing the Canadian Pacific railway, and also for the part that party has taken in the development of the western provinces. Credit may be coming to the Conservative party for the construction of the Canadian Pacific railway, but absolutely no credit is coming to them for any part they took in the development of the western provinces. The Conservative party built the Canadian Pacific railway and then they went to sleep, having not the remotest idea of inaugurating a policy which would populate and develop the great western provinces. Let me give you a short history of the prairie provinces of Alberta and Saskatchewan, or the Northwest territories, as they were known in 1896. I should like to preface my remarks by saying that I have lived in Alberta for twenty-four years, having come to that province from Scotland in 1889, and I have a very intimate knowledge of its development from the time that it was a purely grazing area until it became the great grain growing province that it is to-day. What were the conditions there in 1896, under the former Conservative Government? From 1889 until 1896 it was practically impossible for a settler, or the man with the plough, as they used to call him in the West, to get a foothold in Alberta. That province, particularly the southern portion of it, was almost entirely given over to large ranching companies. The directors and managing directors of these large ranching companies were nearly all members of the Conservative party, and they were allowed to control practically the whole of the province. They had immense grazing leases at a rental of two cents an acre per annum—even then some of them did not pay the rent—and they absolutely forbade settlers from encroaching upon them. I have seen settlers' shacks pulled down about their ears by the employees of some of the large ranching companies; I have seen the settler walked off the range and told not to come back there; told to go into northern Alberta, the only place for the man with the plough. These are actual facts, Mr. Speaker, not hearsay assertions. I was present and saw these acts committed by managers of the large ranching companies, on instructions received from Montreal.

Mr. W. H. BENNETT: Was there any lease granted in Alberta larger than the Blood Indian reserve lease, and was it granted by the late Government?

Mr. WARNOCK: The Blood Reserve lease consisted, I think, of 240,000 acres. The Walrond Ranch Company had a lease, granted under the former Conservative Government, of 350,000 acres. I know that because I was manager of the Walrond Ranch Company for ten years.

Mr. BENNETT: The hon. gentleman has not answered my question. Was the Blood Indian reserve lease granted by the late Government?

Mr. WARNOCK: Yes.

Mr. BENNETT: Was there a larger lease than that of the Blood Indian reserve?

Mr. WARNOCK: Yes, much larger. The Walrond lease of 350,000 acres was granted by the Conservative Government previous to 1896.

Mr. BENNETT: How many years before?

Mr. WARNOCK: In 1883 or 1884.

Mr. BENNETT: There were not many settlers around then.

Mr. WARNOCK: No, and they were not allowed to come in afterwards. The land was there, the opportunities were there, just the same as they were after 1896, when the Government of my right hon. leader came into power; there was just as much good land, and the climate was just the same; but hardly a settler came into that country, while hundreds of thousands of young Canadians were crossing to the United States to make their careers and to build up homes for themselves. These are the men who to-day are coming back to western Canada and are asking for free wheat. Perhaps the hon. member for South Ontario meant to convey the impression that the Americans who are entering Canada are a disreputable class.

What happened after the Liberal Government came into power in 1896? Within a very short time every large leaseholder was given notice of cancellation of his

lease, the cancellation to take place within two years. But at the same time, so as not to kill the cattle industry altogether, the leaseholder was given the option of purchasing 10 per cent of his leasehold acreage at $1.25 per acre. But so little confidence had these men in the country and so sure were they that at the next election the Conservative Government would be returned to power, that only one ranching company in the country bought land at that price. They said: oh no, we do not have to buy, the Conservatives will be back in power after the next election and we will have the country anyway—and it was not until some years afterwards that some of these big ranching companies purchased land. The conditions became so bad in southern Alberta, owing to the hard treatment of settlers by the managing directors of some of the big ranching companies that one managing director on his annual visit to the ranch from the eastern provinces was shot at by an irate settler and the next time he visited the ranch he travelled under police protection. Every statement I have made can be verified by men in the country, and I know that my statements are absolutely correct. Matters went on and in 1892 the Calgary and Edmonton railway was completed. What did we see then? Where were the settlers? The settlers were not coming in. Some years after the road was completed it ran a mixed train three days a week between Macleod and Edmonton. The hon. member for Calgary will bear out what I say. I think for some time they ran only an occasional train, but then we got down to a schedule of three mixed trains a week, and it used to take a day practically to run from Calgary to Macleod, a distance of 108 miles. But not long after 1897 the Crowsnest Pass road was built. Then the coal mines in the Crowsnest Pass began to develop, great saw-mills were built and we had settlers coming into the country under the immigration policy inaugurated by the Liberal Government. Then we saw immense trains of lumber coming down from the Crowsnest mills to supply the needs of the settlers on the prairie. These were some of the developments that took place after a policy of settling these great prairies was introduced by the Liberal Government; and I say it is to the credit of the Liberal party and not to the credit of the Conservative party that the prairies were developed and populated and became the great grain producing and farming provinces we see them to-day. Had the policy of the Conservative party previous to 1896 been adhered to there would not have been enough farmers in the whole province of Alberta to form the delegation one thousand strong, which came to Ottawa and which was referred to by the hon. member for North Essex in his speech the other night. I repeat that but for the progressive policy of the Liberal party there would not have been that many farmers in the western provinces.

I wish to refer to some remarks of the hon. member for Brantford (Mr. Cockshutt) and the hon. member for Brockville (Mr. Webster). The hon. member for Brantford makes some strong statements at times. I heard him say in a former session that if anything happened to the British navy we would find the guns of the United States trained upon Canada.

Mr. COCKSHUTT: Would the hon. member tell me when I made that statement?

Mr. WARNOCK: I have not it by me.

Mr. COCKSHUTT: I think the hon. member will have trouble finding it.

Mr. WARNOCK: I made that same statement when I spoke on the navy last session, and he did not challenge it.

Mr. COCKSHUTT: Probably I was not present. I do not think the hon. member can show that I ever made such a statement, and if he cannot he should not attribute it to me.

Mr. WARNOCK: I must accept the hon. member's denial if he says it is not correct, but I shall make it a point to look the matter up. He made a statement a few days ago in his speech on the Budget which was just about as bad. He said, as reported at page 2634 of 'Hansard':

> Let me tell him (Mr. Turriff) how his friends the Americans will treat him if he ever gets into their hands, because we know with regret that when we deal with Uncle Sam we have to go in with a coat of mail and with shining armour if we hope to come out again with a whole skin.

Mr. FOSTER: That was figurative speech.

Mr. COCKSHUTT: I was speaking on the trade question.

Mr. KNOWLES: Perhaps he is going to start armour works next.

Mr. WARNOCK: Perhaps that is the reason that the Minister of Finance put a duty on steel rods; he may anticipate the

founding of an armour factory. If that statement of the hon. member for Brantford is correct, then there must be a lot of eastern Canadian farmers who are wearing coats of mail to-day because our export trade, particularly from Ontario and the eastern provinces as well as from the western provinces, into the United States, is growing from month to month, and our farmers seem to like it. If the hon. member for Brantford will ask the Americans who bought Canadian stockers in Ontario last fall what they think, I believe the American cattle men will tell him that it is the American who needs the coat of mail when he deals with the innocent Ontario farmer. The American cattle buyers who bought Ontario stockers last fall found that many of them were worn-out cows that were no loss to Canada. The hon. member for Brockville (Mr. Webster) I believe will admit that many of the stockers sold to the United States buyers were worn-out cows and inferior stockers.

Mr. WEBSTER: I would like the hon. member to show me in 'Hansard' where I made any statement about that. He may find that statement in the speech made by the hon. member for Chateauguay (Mr. Morris).

Mr. WARNOCK: I did not say that the hon. member said so; I said that I did not think he would dispute it if I said so. I am sure I do not want to annoy the hon. member for Brockville; he has a great reputation. Many of the Americans who bought cattle in Ontario and Quebec last fall are losing a lot of money on these investments to-day. As I said before, the American cattle buyer does not get any the best of it when he runs up against the canny Ontario farmer. The hon. member for Brantford, when speaking about the British market, was interrogated by the hon. member for Rouville:

> Mr. Lemieux: What about our cattle?
> Mr. Cockshutt: I do not think we have many cattle to send over there at this time. Our meat would probably bring a very good price in Great Britain, but judging from the prices now prevailing in the home market, I think every one will agree that we should keep most of our cattle at home to feed our own people.

These sentiments are all right, but they do not work out in practice. The United States market is taking thousands of our beef cattle, while the British market is not taking one. Why? Because our cattle do not work out in practice. The United We have shipped a great many cattle to Great Britain, but why are they not going there now? For years the cattlemen of Western Canada have shipped their cattle —not all of them—to the United States market, paid the duty and made a handsome profit and they are doing that to-day. If they had sold to Canadian buyers they would have been compelled to accept only about 60 per cent of the value of the cattle. We shipped those cattle to the United States in face of the opposition of the Canadian beef trust in Winnipeg. They did everything to hinder us. Sometimes they got an option on all the Canadian Pacific railway cattle cars, and we were compelled to drive the cattle across the line and ship from American stockyards over American roads. Those are facts. The hon. member for Brantford also made this statement in reply to the hon. member for Assiniboia (Mr. Turriff):

> Ship your cattle over the border and, as soon as you begin to get a market established, quarantine and the tuberculosis test will do the trick. My hon. friend would not be sending his wheat into the United States for more than a month or two before the Americans would find smut in it, or that it was not properly classified.

When it comes down to impeding the shipment of Canadian cattle by quarantine, how does the United States compare with Great Britain? There has been an embargo on Canadian cattle entering Great Britain for over twenty years. Our cattle were unjustly, I say, shut out of the British market. If cattle are shipped to the British market they have to be killed at the port of debarkation. That embargo was imposed at the time when contagious pleuro-pneumonia was prevalent amongst United States cattle, and the British authorities thought they had found a few cases in Canadian cattle. They said: There is only an imaginary boundary line between the United States and Canada and if United States cattle are diseased, Canadian cattle must also be diseased. The Canadian authorities sent inspectors to England who held many post-mortems on cattle slaughtered on the other side, but they never succeeded in finding a case of disease. Even when the British authorities were petitioned by the Scottish farmers and the cattle feeders of England to remove the embargo, they steadily refused, and it exists to-day. That is another reason why so many of our cattle go to the United States market. The embargo was absolutely unjustifiable, and if the hon. member for Brantford would forget his imperialism for a moment and take a common

sense view of the business of the Canadian farmer, he would not make so many mistakes.

What did the hon. member for Brockville (Mr. Webster) say? He was regretting that so many stockers—I think he was referring more particularly to Ontario and Quebec cattle—had gone to the United States market. I have shown that many of those stockers were no loss to Canada, and I have the authority of the live stock commissioners and other well-informed gentlemen for that statement. I believe it would have been a God-send to the live stock industry of Canada if some Ontario and Quebec farmers had shipped all their stock across the line and then made a fresh start with healthy cattle.

Mr. WEBSTER: That is not the case in Ontario.

Mr. WARNOCK: I will give my hon. friend a little information if he waits. I know what I am talking about. The hon. member said:

> What do these cattle consist of? To a large extent of young stock, one-year olds and two-year olds. That is a mistake that our farmers made. They shipped as high as thirty-five or forty in one car, and we saw carload after carload going out of our country. To-day many farmers regret that they sold that stock, for they could sell it in the home market to-day, in Saskatchewan or British Columbia, for more money.

The hon. member admits that he is correctly reported?

Mr. WEBSTER: Yes.

Mr. WARNOCK: The Ontario farmer could not do anything of the kind, and I will prove it to the hon. member. He knows—perhaps he does not, but others know—that these stockers brought more money from American buyers than they were worth to any buyer in Canada. Some of us who were buying cattle about that time bought them through agents in Ontario and had them shipped out West, but when they landed in Alberta we were so disappointed with them that we did not want any more. That was just before the Underwood tariff came into effect. We were wired by our agents in Ontario that the duty was removed and that American buyers were in the country and that our agents could sell cattle to these buyers at considerable profit. We wired them to sell, and they sold the cattle to American buyers. They were worth a great deal more to them than they were to us. The hon. member for Brockville says that these cattle could have been shipped to British Columbia or Saskatchewan. Let us see. I do not want to convey the impression that tuberculosis is rampant in Ontario or Quebec, but there is more of it than there should be. The Minister of Agriculture will admit that it is one of the hardest problems with which he and his live stock commissioner have to contend. Let us see what the position is in British Columbia. We hear so much about the home market and its value to Canadians. I just wish to quote from the last report of Mr. Richardson, secretary of the Alberta Cattle Breeders' Association:

> One of the most important conditions in connection with the cattle industry has arisen during the past two years as a result of animals not being allowed to be imported to British Columbia from other parts of Canada without first satisfactory passing inspection for tuberculosis.

Mr. BURRELL: Is that stated there without any qualification?

Mr. WARNOCK: Permit me to continue:

> During the past few days this menace has been more forcibly brought home to the undersigned through the fact of a considerable shipment of cattle having been brought from Ontario for British Columbia The shipper was not aware that the animals had to pass a veterinary examination for tuberculosis until the shipments arrived at Calgary, where they were tested. Practically all of the shipment reacted for tuberculosis, and were sold locally in Alberta.
>
> The following resolution was passed at the last annual meeting

That is the meeting, I presume, of the Alberta Cattle Breeders' Association:

> That the Dominion Government be petitioned to put in force the same regulations for Alberta as are in force for British Columbia in respect to inspection for tuberculosis, of all pure-bred animals coming into Alberta, and that the inspection shall apply to grade dairy cattle being imported into the province as well as pure-breds.
>
> Whatever may be the best method of handling this problem in the general interests of the Dominion of Canada, the fact that there is such an inspection in force for British Columbia makes it absolutely imperative that a similar inspection should be in force in Alberta, and no doubt when enforced in Alberta, the seriousness of the problem will be at once apparent to the residents of Saskatchewan.
>
> Mr. Richardson read communications from Hon. Duncan Marshall, Minister of Agriculture, which showed that the department was determined to do everything possible to promote the success of these tests and thus protect the people from meat contaminated by tuberculosis.

Mr. BURRELL: Permit me to point out that the justification for that is the fact that British Columbia, unlike Alberta, has on its statute books an Act which pro-

vides for destruction of and compensation for all animals having bovine tuberculosis, by which they have reduced it to about two per cent, and of course that makes the circumstances different in that province. It is the only province in the Dominion that has done that.

Mr. WARNOCK: I think Alberta has also taken steps of that kind. I know that in the city of Calgary and other cities all dairy cows are inspected, and a great many of these cows have been found to be infected with tuberculosis, and their milk is not allowed to be sold.

Mr. BURRELL: There is no compensation?

Mr. WARNOCK: There is no compensation, but it is illegal for a dairyman to sell the milk of a tuberculous animal. These are some of the points I want to deal with in connection with the statements of the hon. member for Brockville (Mr. Webster), and these are some of the situations that Ontario and Quebec farmers will have to face at a very early date. I heard some remarks made in the Agricultural Committee on this very question by the hon. member for Brockville and the hon. member for Dufferin (Mr. Best), who seem to be very strongly opposed to the application of the tuberculin test, but I can assure you it has got to come. It is one of the problems facing the Minister of Agriculture to-day, and I believe he and his veterinary director-general are taking steps to meet that situation; at least I hope they will take such steps.

The western provinces are not prepared to accept the culls from Ontario, and before we will do that we will do as we have done in the past: we will go down to Mexico and import cattle from Mexico and pay the duty on them. One gentleman from southern Alberta was in Mexico a few weeks ago, but owing to the unsettled conditions in that country he could not buy cattle. However, many thousands of cattle have been brought in from Mexico in the past few years, and we will bring in more of them; they are adapted to our range conditions, and they do not require a great deal of care in the winter.

As regards free wheat, I have already given my views on that question in this House, but I would like to say this further: that I heard the hon. member for Brandon (Mr. Aikins) the other day state that he was glad the Minister of Finance had not closed the door to free wheat. I think, however, the hon. gentleman will have a great deal of difficulty in persuading his constituents that the Minister of Finance has not closed the door to free wheat. I doubt very much, however, if the hon. member for Brandon knows very much about what the Minister of Finance purposes doing. I believe that we will get free wheat before the next election, and if we do I think it will be through the efforts of the Minister of Public Works (Mr. Rogers). As I have already said, that hon. gentleman has a very keen appreciation of the value of votes, and he does not want to see the western provinces vote solidly against the Conservative Government; not he, and he will bring some pressure to bear on the Minister of Finance before the next election to get him to pronounce in favour of free wheat.

On the question of agricultural implements, since the hon. member for Moosejaw (Mr. Knowles) moved his free agricultural implement amendment, we have had many statements made by Conservative speakers in this House and outside of it, and statements made in the Conservative press to the effect that the reduction in the duty on agricultural implements granted in the present Budget is more favourable to the western farmer than that which was proposed under the reciprocity pact of 1911. I have gone through this matter very carefully, taking the figures, the retail cost, the duty, the customs valuation, and the duty collected, and I have also made the same comparison on the basis of the duty set out in the reciprocity treaty. It is estimated that the average equipment of agricultural implements, required by a homesteader, would cost about $1,200, and the duty he paid on these implements, which he absolutely requires came to $153, under the duty existing before it was changed by the recent reduction. Under the proposed reciprocity agreement, that amount of $153 was reduced to about $124, or a saving of $29.42. But under the reduction now granted in the present Budget, the amount is only reduced by $7.50 against the $29.42 as proposed under the reciprocity treaty. Since the hon. member for Moosejaw moved his amendment, I have seen references in the eastern press to what they describe as the tax dodging western farmer. The hon. member for South Ontario (Mr. Smith), speaking this afternoon said that free agricultural implements would not be much good to settlers, but if it would save each settler from $150 to

$154, that would mean a very great deal to him; it might mean the difference between the success or failure of a homesteader.

I must refer again to the coat of mail and shining armour that the hon. member for Brantford (Mr. Cockshutt) spoke about, and I must say if there is any man in Canada who needs a coat of mail it is the western farmer when he gets into the grasp of the Canadian manufacturer of agricultural implements; and to prove this I shall relate a few instances of what has taken place in my part of the country during the past year.

During the past few years the agricultural implement manufacturers and their agents have made themselves very obnoxious in Alberta and, I believe, also in Saskatchewan. I may mention one case that occurred in the month of November last. A young farmer had a team seized which had cost him $500 the year before, and sold at public auction at forced sale by one of the implement companies for $265. I will mention another case. A farmer came from one of the eastern provinces six or seven years ago with a considerable amount of capital and settled in the province of Alberta. He did very well for a year or two, but then he got some threshing machines, ploughs and such things, and got into the hands of the implement men. He was closed out last November and eight or ten head of horses were seized and sold for less than sixty per cent of their true value.

Mr. CURRIE: Would free implements have saved him from that?

Mr. WARNOCK: If the farmer was allowed to buy where he chose he would not deal with an implement firm who treated him in that way. He would have another chance; he would have competition. These are the complaints that are prevailing in the West, not only in Alberta but in Saskatchewan also. I desire to read a few excerpts from the address of Mr. J. A. Maharg, president, at the thirteenth annual convention of the Saskatchewan Grain Growers Association held at Moosejaw on February 11, 1914. Mr. Maharg said:

Why are farmers poor?

Although the present year yielded a bountiful harvest of excellent quality over the greater portion of our province, we are forced to admit that the financial condition of a large number of the farmers of Saskatchewan is very unsatisfactory. This condition should not be allowed to exist, and would not exist were justice and fair-dealing the rule of all those with whom the farmers must do business.

He instances a few cases and proceeds:

My position in our movement, especially in connection with the Co-operative Elevator Company, brings me in closer touch with the financial position of the farmers than possibly that of any other individual in Saskatchewan. I have made careful inquiry along this line, and almost invariably the cases of real hardship that I have investigated have been caused by the implement firms forcing collections. I consider they have taken a very unfair position in this matter—a position which has cost the farmers of this province at least $6,000,000 on the price received for their grain, as well as being indirectly responsible for throwing thousands of men out of employment. This is a question which is of vital interest to every resident of our province, regardless of their occupation, as the prosperity of all is absolutely dependent upon the prosperity of the farmers.

Hasty marketing and unemployment.

In my address two years ago you will remember I stated that should any year's crop be practically all marketed during a few months in the fall, the result would be that thousands employed by the transportation systems would lose their employment. The possible condition outlined then is an actuality now, and because of its far-reaching effect, it is essential that all citizens of the province, whatever their occupation, should join hands in an effort to overcome the difficulty.

Changing implement note dates.

We have tried to arrange a conference with the Manufacturers' Association to see, among other matters, if a change in the due date of notes given for machinery could not be made in order that farmers might not be forced to market their grain so hurriedly. However, up the present we have not been able to arrange for this meeting. Should we not be able to arrange for the changing of the due date of implement notes, then there is only one thing for us to do, and that is to take the matter in our own hands and deal with it ourselves.

I have mentioned already that farmers out there are forming co-operative associations for mutual protection.

This may take considerable time, but nevertheless, we can do it if we only go about it in the right manner. I feel very keenly on this matter as some of the practices that have come under my notice recently have been nothing short of outrageous.

I can corroborate what President Maharg says in this respect.

Mr. BRADBURY: How would you correct that?

Mr. WARNOCK: Do you not think that free implements would help?

Mr. BRADBURY: No.

Mr. WARNOCK: I think it would. In the province of Alberta they took some steps to correct it. At the last session of the provincial legislature a Machine Act was passed, and I want to show what effect that had. A constituent of mine, who had a very promising crop last summer ordered, at the solicitation of one of the implement firms,

a small threshing outfit. Later in the year this man's crop was not doing well, he became afraid and cancelled his order. Do you think the machine company would accept cancellation. No, they shipped the threshing outfit to the farmer's station, told him that it was there and demanded a mortgage on his farm. I had sold the farmer the quarter-section of land and that is how I came to be aware of the circumstances. The company wired me to find out how much this farmer owed me on the land. The farmer refused to accept the consignment of the threshing outfit and instructed his solicitor to refuse acceptance of it for all the reasons mentioned in the Alberta Machine Act. The company promptly recalled the shipment and said no more about the question.

At six o'clock, the House took recess.

The House resumed at eight o'clock.

Mr. WARNOCK (resuming): At six o'clock I had just finished my remarks on free agricultural implements, and I now desire to say a word about the increased duties on steel rods and other articles of steel. But first I desire to refer to the fact that the hon. member for Brantford (Mr. Cockshutt) challenged certain statements which I attributed to him. I had not 'Hansard' with me, but I have looked the matter up since, and I desire to quote just what the hon. member did say. I quote from the debate on the 16th of January, 1913, as reported at page 1634 of 'Hansard'. The hon. member was speaking in reply to Mr. Pugsley:

> What did the Government of which my hon. friend was a member, do? Under the Rush-Bagot treaty the Americans were allowed to have two war vessels on the Great Lakes and these of about 100 tons each, but by the permission of the Laurier Government they got through our canals nine war vessels, some of 1,300 tons instead of 100.
>
> Mr. Pugsley: Only training vessels.
>
> Mr. Cockshutt: But they will have their guns trained on us and we have not got a boat to defend ourselves when the trouble arises.

So, I was correct in what I attributed to the hon. member. Now, as to the changes in the duties on steel: I have had many letters from gentlemen in the West strongly objecting to steel bounties or any tariff on steel. The Minister of Finance has seen fit to raise these duties, and the opinion of the West is that this will have the effect of very materially increasing the price of nails and many articles used by the farmers and settlers in that country. I noticed a few days ago the financial statement of the Steel Company which it is understood these changes in the tariff will most affect, showing the business done during the year and the profits on that business. That statement goes to indicate that these increases in duties on steel rods and other articles are quite unnecessary, for the company has had a profitable year and is doing very well.

Now, as to the question of the Canadian Northern railway, I agree to a great extent with what was said by the hon. member for Medicine Hat (Mr. Buchanan) the other night. But I am content to wait until the Government brings down its proposition in this matter and then I shall endeavour to judge the case on its merits. We want more railways in the West, there is no doubt of that. There are many lines of the Canadian Northern railway projected in parts of Alberta and also of Saskatchewan, and if we do not get these lines, we shall probably have to wait a long time before other companies will build the roads. Mr. J. A. Calder Minister of Railways in the Saskatchewan Government was interviewed in Toronto on the 11th instant, and I desire to quote what he has to say on this question:

> 'People who talk about putting on the brakes and stopping work are totally unfamiliar with conditions,' said he. 'These lines are required not to open up new territory, but to supply railway facilities for settlers who took up the lands years ago. The purport of the decision of the Board of Railway Commissioners on the freight rates case clearly indicates that these branch lines are urgently needed and must be proceeded with. Unless this is done not only will settlement and development be retarded, but thousands of our farmers who are completely disheartened will pull up stakes and leave the country. This represents the real situation, a situation that eastern Canada is interested in just as much as the West. If we are to hold what we have and if we are to secure annually the increase in crop area which we should expect it is imperative that railway facilities should be provided in all the large settlements in the West where the farmers are compelled to haul the grain a greater distance than from ten to twelve miles to market. Wherever this haul reaches out to twenty miles or over grain-growing is unprofitable, and will not be carried on.'

Mr. Calder was referring particularly to Saskatchewan, but conditions in Alberta are practically similar. But, as I have said, I am prepared to wait until the Government brings down its proposal in relation to the Canadian Northern railway question, and then to judge their proposal on its merits.

With regard to immigration questions,

Mr. Calder made some remarks on that question also, and these I desire to read:

'While the West has been receiving its share of the newcomers to Canada, the percentage of those who go on the land is comparatively small,' said the minister.

'The ever-increasing tendency has been to crowd into our cities, and, as a direct consequence, conditions are arising that are unhealthy and undesirable, to say nothing of the fact that agricultural development, the real backbone of the country, is more or less at a standstill.'

Here again his remarks are appliable to Alberta. We also have been getting a great many immigrants, but only a small percentage are going on the land. Yet it is of the utmost importance that we should get settlers on the land, settlers who will cultivate and produce, whose increase of crop and extension of crop area will help to sustain the many villages, towns and cities that have sprung up in the West. In my opinion it is only by giving the farmers of the West a wider market for their products, not only for wheat, but also for oats, barley and flax, and so encouraging them with a profit on their capital and return for their labour, that we will make them content to stay on the land.

We have had a great deal of advice, particularly from people in the East, that we should go into mixed farming. But those who give that advice overlook the fact that many areas in the West are not adapted to mixed farming. It may be because of scarcity of water, or it may be for some other reason, many of our farms are not adapted to stock raising and mixed farming. There must always be a surplus of wheat and other grain to ship out of that country, and for this a market must be found. I am satisfied, and in this I voice the opinion of the farmers of the West, that that market is to be found south of the boundary. Several hon. members on the other side have endeavoured to belittle the value of the United States market. Now, I wish to show just how that market has benefited us in one article within the last two months. This is quoted from the press, and it is practically correct:

Owing to the removal of the United States customs tariff, the sheepmen of Southern Alberta sold their 1914 clip at an average of 3 cents or 4 cents per pound over what could have been secured from Canadian buyers. One Boston firm purchased a million and a quarter pounds for $215,000, which is $80,000 more than the sum paid by Canadian buyers for practically the same amount last year.

Mr. MORPHY: With the hon. member's permission, I desire to ask him a question. For what reason was the tariff removed from wool by the American Government?

Mr. WARNOCK: I presume because they wanted it.

Mr. MORPHY: Won't the same thing happen with wheat?

Mr. WARNOCK: Let me explain that. The United States miller, I believe, does not want our wheat on any other conditions than those on which he gets it to-day. If the United States farmer buys wheat in Canada for purposes of milling and exporting, he gets a drawback of ninety-nine per cent on the flour exported; he is practically in just as good a position to-day as he would be under free wheat—but our farmer pays the duty. He says to the Canadian farmer: there is a tariff of ten cents a bushel on that product; you will have to take that much less. Take our cattle to-day; the large American packers are opposed to our cattle going into the United States; it is the small independent packer of Seattle, Tacoma and other western cities who are buying our hogs and cattle. In the same way if you let wheat, for consumption in the United States, go into that country duty free, the small independent grain buyer will come into Canada and buy grain, and you will get the best of the large American miller. The American millers will fight the United States president if he ever proposes to remove that duty. They do not want it removed: they are in a better position to-day because they have the ninety-nine per cent drawback. Many farmers in my own constituency are shipping their wheat, barley and flax to the United States market, paying duty, and making a handsome profit. If they can do that under the United States tariff, they could make a very much larger profit if they had free entry for their wheat into the United States market. That is why we want free access to the United States market, and I believe that the reason we do not get it from the United States Government is because of the opposition of the American millers.

Mr. W. G. WEICHEL (North Waterloo): Mr. Speaker, very seldom do I attempt to take up the time of this House, and I do so now only because I feel it my duty to take part in this debate—because I feel deeply conscious of my own responsibility to the riding I represent and to the country I serve. In view of that responsibility,

I have taken some pains to place my views on the fiscal policy of Canada before this House, and I hope my remarks will be considered as emanating from a man who has lived in Canada all his life and who has observed with pride and satisfaction the progress that the country has made; and I trust that they will be received as the honest and well considered views of a Canadian business man.

I listened with a great deal of pleasure to the able address delivered by the Minister of Finance when delivering his Budget speech. I followed his remarks very closely and now take this opportunity to congratulate him for the words of good cheer and optimism that rang throughout the whole length of his remarks. Although the country has met with a slight reverse; although pessimists were ready to cry blue ruin, the statement shows that Canada again has passed the billion dollar mark, a fact that is hailed with delight by every optimistic Canadian citizen. We have made the grade, and the lessons learned during the past year or so will have a beneficial and lasting effect upon all of us. Good management, prevention of waste, the adoption of good business principles and methods, and a desire on the part of our banking institutions to further legitimate enterprises, will have their effect on the future prosperity of Canada, and let us hope that before long the nightmare of financial distress will be a thing of the past and only a fleeting memory.

Before entering the House of Commons as a duly-elected member, I had my doubts and misgivings regarding the utterances of members on the fiscal policy of the nation. I often came to the conclusion, while perusing the columns of the newspapers, that the insinuations aimed at certain members were groundless and biased and that they had been wilfully misquoted. These illusions of mine have, however, been sadly shattered since I listened to speeches of hon. gentlemen comprising the Opposition, many of whom think less of the principles of free trade than I do myself. They make the claim that Providence was with the Liberal party from 1896 to 1911. Many and varied were the speeches delivered by these hon. gentlemen deploring the downfall of the Liberal party in 1911. My late opponent declared in most emphatic terms, at a banquet given in his honour in the city of Berlin, that the factory whistles did not blow and the factory bells did not ring at eight o'clock in the morning and at five o'clock in the evening when the Liberal party was in power prior to 1911, and, of course, as usual, blamed it on the present Government and its policy relating to the tariff. Was prosperity, Mr. Speaker, achieved under free trade from 1896 to 1911, or was it achieved under protection? Did hon. gentlemen make many changes downward while they were in power during that period? Certainly they did not, and because of that foresight the people kept them in harness for fifteen years until the free trade bug got in its deadly work and then what happened? The people took a hand in the game and the results were disastrous—and they were not what the followers of the Manchester School anticipated.

Many matters of great moment have been brought to the attention of the country through the speech of the Finance Minister. One matter in particular which attracted my attention during the delivery of the speech should not be overlooked in this House. It is a matter with which I am fully conversant, as it belongs to the business which I follow from one end of the year to the other in my home town—and I wish to congratulate the minister upon the change he made in this regard, which will be so beneficial to the farmers. The House will excuse me, therefore, if for a short time I refer to this particular matter. It is with regard to the item relating to No. 9 fence wire, which is under the present tariff admitted duty free. This No. 9 wire is used in the manufacture of ready-made wire fencing. Customs inspectors are furnished with what is known as a notch gauge, the width of the notch or opening for No. 9 size being 144/1000 in. The opening for the next smaller size, No. 10, is 128/1000 in., a difference of 16/1000 in. The wire that is found too large to pass into the No. 10 notch in the gauge is classified as the next size larger, which is No. 9, one of the duty free sizes. This permits of a great variation in the size of No. 9 wire, all of which passes customs duty free. A reduction of from 8 to 10 points in the size of the wire means a saving of from 8 to 10 per cent in the weight of material used, where this scant material is converted into

woven fencing and sold by the rod, which is the basis on which the farmer buys it. The opportunity for the maker of fencing to rob his customers arises out of his practice of buying goods by the pound and selling them by the rod. I have been in business too long not to know what has been done in this country with regard to the No. 9 gauge wire used in fencing. The practice with some makers is to order American No. 10 size, which is 135/1000 in., but duty free, as I explained before. The farmer has no means of gauging the size of the wire in his fence when he makes a purchase, and it is very difficult even for the trained eye to distinguish between No. 9 and 10 sizes. Let me illustrate the difference:

One lb. of wire, 144/1000 in. diameter stretches 17¾ ft.; 1 lb. of wire 135/1000 in. diameter stretches 20½ ft. This extreme variation in the size of material used in the different kinds of fence, has made the fence question a confusing one for the farmer and he has been led to believe that he will get fully No. 9 gauge wire in his fence; and, without provision for testing after taking his material home, he believes that he has got what he paid for. Confining the size to be admitted, duty free, more closely to the standard of 144/1000 in. adopted by the Canadian Government in their specifications for the National Transcontinental railway, allowing a variation of not more than a few points below the standard, which has been done by this Government, should not work any hardship to the manufacturers of woven-wire fence, who desire to give their customers the size and measure of material which they advertise. This will undoubtedly benefit the farmer who to-day buys and pays for No. 9 gauge wire to be used in fencing. All we ask for in justice to the farmer, is that those manufacturers who advertise wire as No. 9 should be absolutely compelled to furnish exactly what they advertise. Advertising is conducted, in many instances, in a barefaced and bold manner in this country, and something should be done to curb this evil, which to-day has assumed large proportions. By this means money is being taken out of the pockets of the buying public, who, in my estimation, should be protected by some law governing advertising methods as is done in Germany.

I stated before that I was an optimist regarding Canada and her future. Of course, I am a believer in moderate protection, and, while I have the opportunity, I wish, for a short time, to make some comparisons between free trade England and protected Germany; and perhaps my friends on both sides of the House will give me credit for at least giving them facts which I have taken great pains to collect, and which I am not giving to this House with a view of lauding Germany, but simply to show what I believe, in all fairness, to be a great victory for the principles of protection These facts, which are thoroughly reliable, should open the eyes of all Canadians to the danger of free trade, a policy which would mean utter ruin and annihilation to the manufacturing artisan, and agricultural interests of Canada. Some time ago a considerable number of representatives of British workingmen's societies travelled through Germany with a view to discovering whether the workingmen fare better under protection or under free trade. Their reports were very interesting and teemed with interesting and valuable facts. Germany introduced protection in 1879. Let us for a short time, compare Germany and British industrial conditions, taking as a starting point 1880.

The great productive industries are four in number, namely, mining, manufacturing, agriculture and trade. Germany, like Great Britain, mines principally coal and iron ore. The production of these has progressed as follows in the two countries, according to the Statistical Abstract for Foreign Countries, published late in autumn, 1911:

Production of Coal and Lignite.

	Germany, tons.	Great Britain, tons.
1880..	59,118,000	146,969,000
1890..	89,291,000	181,614,000
1900..	149,788,000	225,181,000
1909..	217,433,000	263,774,000

Now, let us turn to the production of iron ore:

	Germany, tons.	Great Britain, tons.
1880..	7,239,000	18,026,000
1890..	11,406,000	13,781,000
1900..	18,964,000	14,028,000
1909..	25,505,000	14,980,000

In 1880, therefore, Great Britain produced 150 per cent more coal and 160 per cent more iron ore than Germany. What a marvellous change since then! In 1909 Great Britain produced 60 per cent less iron ore than Germany, and her superiority in the production of coal has shrunk to a paltry 20 per cent and threatens soon to be a thing of the past.

Great Britain exports 60,000,000 tons of coal a year, whilst Germany exports only 10,000,000 tons. Therefore, Germany, has already overtaken Great Britain in the con-

sumption of coal. As the manufacturing industries are based on the use of coal, iron and steel, the manufacturing eminence and the progress of a country can best be measured by the national consumption of coal and iron and by the power of its steam engines. Compare Germany and Great Britain re consumption of coal and iron.

Consumption of Coal.

	Germany, tons.	Great Britain, tons.
1880..	57,008,000	129,078,000
1890..	90,798,000	152,876,000
1900..	149,804,000	179,083,000
1907..	208,195,000	195,466,000
1909..	206,321,000	198,080,000

Let us look into the production of pig-iron:

	Germany, tons.	Great Britain, tons.
1880..	2,713,000	7,749,233
1890..	4,651,000	7,904,214
1900..	8,507,000	8,959,691
1907..	12,875,000	10,114,000
1909..	12,645,000	9,532,000

Now let us look at the consumption of pig-iron:

	Germany, tons.	Great Britain, tons.
1880..	2,713,000	6,176,000
1890..	4,940,000	6,824,925
1900..	9,106,000	7,705,201
1907..	13,016,000	8,273,000
1909..	12,308,000	8,501,000

In 1880, therefore, Great Britain consumed seventy-two million tons of coal more than Germany; in 1909, or during twenty-nine years of protection for Germany, Great Britain consumed eight million tons of coal less than Germany. In 1880 Great Britain produced five million tons of pig-iron more than Germany; in 1909 she produced 3,110,000 less than Germany.

During the thirty years under review, when the productivity of her mines and the output of her manufactures have grown about seven fold, the rural industries of Germany have made the same wonderful strides. To-day she produces twice the quantity of bread, corn, oats and potatoes, and five times the quantity of sugar, which she produced before the introduction of protection. The increase of Germany's meat production is no less surprising than the increase of her crops, and has kept pace with population. Her population in 1873 was 41,564,000 and in 1908 was 62,083,000.

In 1873 Germany produced 15,776,702 cattle, and in 1907 20,630,544 head. In 1873 Germany produced 7,124,088 hogs, and in 1907, 22,146,532 hogs. Therefore, between 1873 and 1907, the population of Germany increased fifty per cent; during the same period the number of her cattle increased by thirty-three and one-third per cent, and the number of hogs by two hundred per cent. For comparison's sake, let us compare live stock statistics as between Great Britain and Germany. In 1907 Great Britain produced only 11,630,142 cattle and 3,967,163 hogs.

Germany's potato crop amounted in 1908 to the enormous total of 43,700,000 tons; the British potato crop amounted in 1907 to 5,223,973 tons, or just as much as Germany used for seed alone.

During the last thirty years, Germany's railway traffic has increased by more than 300 per cent, and its inland waterway traffic by 400 per cent. Germany recognizes the importance of cheap transportation. She has steadily extended, enlarged and improved her natural and artificial waterways, and keeps on extending and improving them year by year. Her industrial success in a great measure is due to the cheap transportation and the wise development of her waterways. The policy of the German Government with regard to her waterways has been deliberately laid down in an official publication which appeared some time ago, as follows:

> Any means whereby the distance which separates the economic centres from one another can be diminished must be welcomed and considered as a progress for the increasing or strengthening in our industrial competition with foreign countries.

Every one who desires to send or receive goods, wishes for cheap rates. Hence the aim of a healthy transportation policy should be to diminish as far as possible the economical, unproductive cost of transportation.

A country such as Germany, which is happy enough to produce upon her own soil the larger part of the raw material and food which it requires, occupies the most independent and the most favourable position; owing to cheap inland transportation its economic centres are placed as nearly as possible to one another. When this has been achieved, Germany will be able to dispense with many foreign products, and it will occupy a position of superiority in comparison with all those states which do not possess similar means of transportation. Many circumstances which in former times gave superiority to foreign countries, such as superior machinery, cheaper wages, greater natural fertility of the soil, are all being gradually levelled down; but what will remain is the advantage of a well planned system of transportation which makes the best possible use of local advantages.

Germany protects her population, not only against tariff reduction of foreign nations, but against the far more dangerous attacks upon their prosperity from within. Therefore, she protects and fosters her industries, not only by her tariffs but by a practical national education, and by the provision of efficient and cheap means of transportation.

The semi-official year book 'Nauticus' says, in 1910, of the advantage of industrial prosperity of Germany:

> During the last two decades, the industrial production of Germany has experienced a natural, ordinary increase. That increase has been caused less by the greater amount of our exports than by the growing importance of our markets; that is to say, by the growing wealth of the German people.

In the production of steel, which is a basic industry, she has rapidly overtaken Great Britain, as the following figures prove:

	German Steel Production. Tons.	British Steel Production. Tons.
1880	624,000	1,342,000
1908	11,000,000	5,300,000

Therefore, since 1879, the year when she introduced protection, her supremacy in steel over Great Britain has become overwhelming.

Workingmen, as a rule, are the best judges of labour conditions, and the following passage, taken from the report of the Gainsborough Commission of workingmen who, in 1906, travelled all over Germany, should prove interesting reading to those who favour free trade principles:

> We have been forced to face the fact that during the period following upon the introduction of protective duties by Prince Bismark in 1879, Germany has ceased to be poor, and has become well-to-do, that her working people have received a large increase in wages, that the social condition of the land has improved, that Germany's industries have developed, that she has succeeded in extending her foreign trade and acquired ready markets for her continuing increasing industry.

The change in the industrial character of Germany since the introduction of protection, and in the character of her foreign trade, is particularly striking. If a study is made of the nature of the trade between the two countries, prior to the introduction of protection, Germany sold to Great Britain raw material in food, and bought from them manufactured goods. In other words, Germany was Great Britain's farm, and Great Britain was Germany's factory. To-day the conditions are reversed. Now Germany exports to Great Britain manufactured articles of every kind, and receives in return raw material in food. That is the difference between the two countries.

According to the statistics of unemployed among trade unionists published by the British Board of Trade, there are, as a rule, from three to four unemployed workers in Great Britain to every single unemployed worker in Germany. It is also a well-known fact that men leave their country chiefly through lack of employment. Ten to twelve British immigrants leave Great Britain to one in Germany. Free trade exponents never tire of assuring us that protection makes production decrease, that it thus hampers the sale of domestic manufactures in foreign markets and destroys the export trade. Let us see if that is a fact. Since 1879 the exportation of German manufactures has increased from £83,500,000 in 1880 to £239,800,000 in 1910, therefore during the period from 1880 to 1910, while Germany's manufactured exports have increased by no less than 200 per cent, the manufactured exports of Great Britain have increased by only 70 per cent. Certainly the cost of living has increased both in England and Germany. One fact is notable, however, and that is this: That while wages in England remain practically stationary, they have advanced in Germany. Therefore we must draw the following conclusions, namely: That wages are higher in Germany than in England, and that the workingman living in a protected country is better off than the workingman living in a free trade country.

Are not the savings of the people the barometer of the success of a country ? Let us look at the savings of the people. In 1880 Germany deposited in the savings bank £130,690,000, as against deposits by Great Britain of £77,721,084. In 1911 Germany deposited £900,000,000, as against £227,902,840 by Great Britain. In eleven years from 1900 to 1911 the German savings bank deposits have grown more than eleven times as quickly as the British savings deposits, and £700,000,000 of these savings consists of small sums put into the banks by people belonging to the working classes. You cannot find poverty in Germany. The British Workingmen's Society hunted for it in vain, but could not find any. Germany to-day commands the respect of the whole world, and under protection has made enormous strides. The German people do everything in a thorough manner.

Their children receive a technical education which fits them to become masters in their respective trades and businesses, and if you were to ask a German to-day if he desires free trade, he would point to the belching chimneys of his fatherland, to the great commercial history of that people, who, under protection, achieved all these things since the year 1879. One of the most striking portions of Prince Von Bulow's new book on German Thoroughness is that part dealing with the marvellous growth of German industry since Prince Bismarck introduced his tariff system. He gives facts, which the followers of the Manchester school of free traders cannot explain away. One of the most important facts presented is that agriculture and industrialism flourish equally side by side and continue to enjoy the full benefit of her sources of national wealth, a position exactly reversed in England, thanks to free trade. In Germany, although the population is increasing, emigration has practically ceased. In England it increases year after year, especially in the rural areas. In England the production of foodstuffs declines steadily, and can any one be so foolish as not to realize what this would mean in time of war ?

What is the condition in Germany under protection? Thanks to her tariff and despite the fact that the number of persons engaged in agriculture has decreased, the amount of foodstuffs produced has increased enormously. The marvellous progress of that country since 1879 is a hard fact that free traders find it difficult to digest. To-day she challenges our supremacy in the markets of the world; yet only thirty years ago Prince Bismarck said Germany was slowly bleeding to death. I certainly would not make the sweeping assertion that this progress is entirely due to protection. No, Mr. Speaker, her prosperity is largely due to the thoroughness of her methods in all things, especially in matters educational. But these methods would have been of little avail had her industries and home market not been protected, and she might still be in the position described by Prince Bismarck in the following words:

> Germany, being swamped by the surplus protection of foreign nations, prices have been depressed and the development of all our industries and our entire economic position has suffered in consequence.

I have proven by statistics that are thoroughly reliable that Germany under protection has made greater progress during the last thirty years than has Great Britain under free trade. I am not saying this in a boasting spirit because I happen to have German blood in my veins. No, Mr. Speaker, I am deeply conscious of the fact that I am a British subject, and as such my fondest hope is to see all parts of the empire prosperous. But we must face the situation like men and no longer delude ourselves regarding the position we occupy at the present time. We still occupy that proud supremacy which we have occupied for years, but our position is not nearly as secure as it was years ago. Let Canada therefore continue in her present policy, which is similar to the policy Germany adopted, and under which she has made such magnificent strides and progress. Let us follow Germany's example by erecting technical schools, adopting thoroughness as our slogan, both in education and in business, and, above all things, let us not be foolish regarding our fiscal policy. Let us realize above all things that the very considerable expansion which has taken place in our trade under protection absolutely shows that a tariff is no hindrance to industry, as free traders would have us believe, but, on the contrary, is a stimulus to increased production.

A decided stand has been taken in this House by members of the Opposition regarding the abolition of the duties on agricultural implements Why they should single out this one industry is a mystery to most of us, as this particular industry is in many instances the backbone of many of our towns and cities. This is certainly the case in my home town of Waterloo. Let us carefully consider what this industry really means to Canada. The 1911 census shows that there are seventy-seven manufacturing firms in Canada producing some kinds of agricultural implements. They utilized a capital of $45,232,098, and produced products worth $20,722,722 in that year. They employed 8,834 workmen and an office staff of 726 people. The wages paid to workmen was $4,739,750, and to office employees $811,897. This $5,500,000, was spent in Canada among Canadians. This does not, by any means, include the help employed in branch offices, salesmen, agents, etc. If you add these to the former list, you have a total of 9,560, and then you could easily add 5,000 more belonging to outside staffs and selling forces, which would increase the total to 14,506, directly dependent upon this business together, with subsidiary manufactures who are employed in making

materials used by the implement manufacturers. These concerns employ half as many hands as the implement manufacturers, and this would mean another 4,780 employees in implement producing materials. The agricultural implement business means much to Canada. It is certainly a distinct national asset, because if we figure four or five to a family, and, as nearly all the workers are adult males, it will mean that over 100,000 people are benefited directly by this industry alone. Would it not be unjust discrimination to single out this from amongst all the other manufacturing industries throughout the country? The only fair way would have been for the hon. gentlemen comprising the Opposition in voting for the amendment to abolish all duties on agricultural implements, to have suggested also the abolition of all duties on raw materials entering into the manufacture of agricultural implements.

You can readily understand, Mr. Speaker, how this would affect the whole iron industry in this country, which we all admit is, after agriculture, the basis of our prosperity. Discrimination will not do; we must treat all alike; and yet there are those who forget that these people whom I have mentioned must be fed, housed, and clothed; that the farmer has, through these industries, a good home-market near by, and if we allow this particular industry to be discriminated against, it will eventually mean that a great deal of the money paid in wages will be paid south of the line. There is an industry in my home town, Waterloo, employing several hundred men, manufacturing agricultural implements. It is the backbone of the town, and reduction of the duty would absolutely cripple this industry.

The greatest asset that the Dominion of Canada possesses at the present time is her home market, possessed by both the eastern and western farmer of this country, who, despite the 'blue ruin' cry of certain farm weeklies, is not by any means beginning to meet the demands of the consumers of Canada in many kinds of productions. I, for my part, can speak with perfect freedom about this matter, because I live in a community and represent a constituency that has in the short space of thirty years become a marvellous commercial centre. The city of Berlin has increased its population four times in the short space of twenty years, which is due only to the wise policy of protection which has fostered her infant industries and which has given us a splendid home market for our farmers. Hardly anywhere in this Dominion can you find anything to equal the commercial activity of the towns and cities from Brantford to Guelph. They are hives of industry, and the people living in these cities and towns to-day would probably look askance at the policy of any party which talked free trade or a reduction in the duties pertaining to these different industries. We have no high protection in Canada. Taking dutiable and free goods together, the average duty imposed by Canada on imports from the United States amounted to only a little over 12 per cent. Surely this is not a high protection. Out of a total importation from the United States in the fiscal year of 1910 of $223,501,000, nearly half, or $104,667,000, was admitted duty free. Surely these figures do not seem to denote that the eastern and western farmer is being taxed out of business.

I say, to the hon. Minister of Finance and to the members of the Cabinet and this Government: The people gave you their mandate in 1911 and told you they did not even want a fringe of free trade with the United States and that the pilgrimages must cease. The people absolutely meant what they said in 1911, and any Government which goes contrary to the will and wishes of the people deserves what the Liberal party got in 1911.

I liked the language which the hon. Minister of Finance used a few days ago in this House when he delivered his Budget speech. He said: Our policy is to build up and not to destroy. That is the policy that Germany has pursued for the last twenty-nine years, and that is the policy which I hope we will continue.

A celebrated writer once said that the country that sells raw materials only, will always be poor just as the farmer who sells corn only, and not hogs, will never lift the mortgage. If you have a forest and can work it up into tables, chairs, bookcases, and other furniture, you will make a good deal more money than if you sell firewood only. No man ever got nervous prostration pushing his business, you get it only when the business pushes you. So it is with the nation. Let us attend strictly to our own affairs; let us push our own business, and a prosperous, happy and contented people will be the result. If Canada is to occupy the place for which the bountiful resources of nature and the efficiency of her people have equipped her, the intelligence, enterprise and co-operation of the people and Government must be obliged to maintain and

9 p.m.

strengthen her possessions. Do we realize that we are competing to-day with other countries who are striving for supremacy by every means in their power? Let us not forget that, as a nation, all classes within the Dominion prosper or fall together; that the farmer is dependent on the manufacturer and workingmen, and vice versa; that if one is destroyed the other suffers as well. This country is ready for business and more business.. Free trade talk in Canada, when money is scarce, when men are walking the streets by thousands in the big American cities out of work, with manufacturing plants over there ready to dump their surplus products into Canada—the man talking such rot just now should be examined as regards his sanity.

But we hear certain hon. members of the Opposition deny the free trade sentiments within the party. The utterances of the leader of the Opposition in many of his former speeches and the element which brought the 1910 Administration to its knees, now dominate the Liberal party, and in my opinion there is no room for a protectionist if he holds honest views, within their ranks. His counsels go for nothing, and he is regarded simply as an obstructionist. The Liberal party is committed to free trade, and they cannot fool the people any longer. For some time the Globe has argued that there is no way out 'short of the root and branch abolition of all protective duties.' No protectionist is now recognized as a loyal member, and the Liberal leader is now absolutely in the hands of the free trade extremists. The voters will find no fault with them if they act like men and come out boldly with their policy. Why try to hide behind this and that subterfuge? State your policy, gentlemen, so that the country will know what you have in mind. We are waiting for the amendment.

I, for my part, believe in a moderate policy of protection, and I am ready to-morrow to appeal to my people on this issue. Public revenue must be raised in one fashion or another; if not by a custom tariff, then by direct taxation. If our tariff system were abolished to-morrow, we would have to raise ninety to one hundred millions or more by direct taxation.

Another amusement feature that has been put on the screen by our Liberal friends, who certainly know that it pays to advertise, has been the policy 'of the moment,' originated in Hamilton—I am sorry for Hamilton—and expressed in glowing terms by the right hon. the leader of the Opposition.

What a contrast between the two parties! The Conservative party in power in 1878 declared for moderate protection and have never veered from that policy to this day. In season and out of season, in power and out of power, they have had faith in the great resources of our country, hoping and believing that protection, to enable our people to utilize these blessings, was necessary to build up a great, thriving and bustling community.

Mr. MICHAEL CLARK: Did not the Conservative policy of 1878 include reciprocity in natural products?

Mr. WEICHEL: Possibly it did.

Mr. CLARK: Well, then, why complain of us?

Mr. WEICHEL: One of our friends answered that question this afternoon.

Mr. MACDONALD: What did he say?

Mr. WEICHEL: It is not necessary to answer a question twice in this House. The Liberal party, out of power in 1878, cried for unrestricted reciprocity, commercial union, and when in power in 1896 they snugly entrenched themselves behind the National Policy until in an evil moment for them they listened to the voice of the free trade siren, and the result was ignominious defeat. To-day, out of power, they are advocating a policy of free trade, although they do not want everybody to know it. It is to be a secret for a while to lull to sleep the suspicions some of their Liberal manufacturing friends have displayed during the past few weeks. Put us back; we won't hurt you, they say to the manufacturer, and yet they wish to destroy our iron industry in Waterloo, manufacturing agricultural implements, which employs two hundred hands, mostly men with families. And, to disarm suspicion, 'Free food' is introduced into the arena. It was heralded on that memorable evening, and gradually lost its brilliancy, until to-day many advocates of Liberalism wish that some other opportune thought had entered the subtle brain of their leader. 'Free food'—who does not like the words?—they sound well; but sounds leave only an echo, and that is about all that is left of the Hamilton announcement.

Mr. Speaker, economic thinkers in the world to-day agree that the tariff is not responsible for the high cost of living, and

the theory that the abolition of customs tariff will lower prices and better the condition of the masses has been found wanting. Britain has had free trade for more than sixty years, and yet the cost of living in the United Kingdom is going up by leaps and bounds. Holland and Denmark are low tariff countries, yet they pay more for their food-stuffs than do the people of high protectionist countries like Germany and France. But, since Europe is far away, let us come nearer home. Why is it that the abolition of food duties under the Underwood tariff failed to lower the cost of living in the United States? Why, Sir, without going into details, the result has been that in the three months since the new trade policy has been in force, the cost of living in United States has not only not decreased, but has actually increased at as great a rate as during any equal period of time during the past ten or fifteen years. Some of the leading newspapers in the United States have been mercilessly exposing this policy, and they refer scornfully to the Canadian Liberals as opportunists.

Where will the free food come from when there is no cheap food outside Canada to buy? Living is high in all countries to-day. The United States will not buy food-stuffs from us at high prices and ship them back to us at low prices. They abolished the tariff to get cheap food, and therefore, are not in a position to sell it. Not from England, Scotland and Ireland, because they import their food.

Where then will we get it from? The farmer is told he will have better markets—better prices; and the workingman is told that he is to have cheap food. If the Canadian farmer is to get higher prices, then where in the name of common sense does the workingman come in? And if the workingman is to be benefited, where does the farmer come in who produces the food that we consume in Canada to a large degree. Free food means free trade in natural products, and this means the removal of the corner stone of Canadian national prosperity. The National Policy aims to benefit the farmer and the workingman first; it benefited them by causing industries to be built up throughout the country, creating a demand for labour and a home market for the farmer. It has been successful and has made Canada a hive of industry, where the Canadian farmer gets good prices, and the workingman good wages.

Let the workingman of Canada consider well and realize that under free trade our industries would have to compete with cheap labour in the factories of Europe and with low standards of Asiatic and European living. I realize with all others that living is high, but I also realize that I could do with a great many things less than I am doing now, and thus reduce my living expenses. To be honest with ourselves, we must confess that we have been going at a pretty fast clip for the last fifteen or sixteen years, and that it is hard to get out of a rut. Twenty to thirty years ago living was not so high, and it does not require the services of an expert to determine the reasons. Luxuries in many forms, modern inventions, the awful and sinful extravagances in dress, styles, fashions, fads, changing in rapid succession with the moon, the world going mad trying to imitate Paris, New York and London, and rising next morning with a headache and an empty purse—these are the things that increase living expenses, and no amount of legislation will undo the evil unless we receive a check such as we received during the last year. That seems to be the only remedy, and no doubt an all-wise Providence takes a hand in the game of life once in a while and guides the ship into the harbour of common sense and security. We, therefore, Mr. Speaker, believe that Canada has again made the upward turn, and that from now on there will be steady improvement. This great country of ours is just beginning to realize its capacity and power—its tremendous possibilities. Our resources are to-day the envy of the world; opportunities galore face those who boldly and intelligently strike out for a stake in its broad and fertile lands.

In the struggle for the trade of the world Canada will occupy the place for which the bountiful resources of nature and the efficiency of the people have equipped her. The intelligence, enterprise and co-operation of the people and Government, therefore, must be applied to maintain and strengthen her position. As I said before, taxes must be imposed in some way, for we must have revenue to carry on the affairs of Government and to build railways and canals and other public works. If not raised by customs tariff they must be taken out of the pockets of the people by tax collectors. The aim of the Conservative party is so to adjust the tariff that, while yielding sufficient revenue, it will encourage the establishment of

home industries, furnish varied occupations for the people and create a home market for farm products.

What do the people of the United States think about the tariff? I wish to read an article from the Iron Age, of April 16, 1914, entitled, 'Our Losses from Canada's Steel Tariff.' It is as follows:

We have already referred to the 50 per cent falling off in iron and steel exports from the United States, in the first two months of this year. While Canada's statistics of iron and steel imports in the two periods are not yet published, it is fair to assume that the business depression there, in the past year, is responsible for the poor showing in shipments from this side in recent months. Canada, as is well known, is the best customer of our steel industry.

It has been pointed out repeatedly that the preference granted Great Britain in the Canadian tariff amounts to little in comparison with the inducements to Canadians to do business with manufacturers in the United States. Canada's enormous steel trade with the United States might well quiet the fears of those who saw orders for European steel going out from this country as soon as a margin of, say, $1 a ton showed in the foreign manufacturer's favour under our new tariff. Canadian buyers of our steel have found out that it is worth more than one or two dollars a ton to be so close to their source of steel supply that shipments could be traced, that required deliveries could be met, that claims could be promptly adjusted, that the telegraph and telephone could give hourly contact with the producer, with mail connection a matter of over night. They have not underestimated, moreover, the advantage of the credit relations established with large manufacturers on this side of the line. It is these things that have kept Canada from placing more than about 10 per cent of her steel orders in Great Britain.

But what the preferential tariff could not do for British steel makers who coveted the Canadian market and have complained of the lack of loyalty that denied it to them, Canada is now to do for herself as fast as her steel manufacturers can get ready to benefit by the increased duties on iron and steel products. Only actual trade developments will permit of measuring the loss of trade the duties just announced will inflict on American steel manufacturers. Our wire rod exports to Canada, which have been about 60,000 tons in each of the past two years, will be practically all cut off by the new duty of $3.50 a ton, as Canada's wire rod capacity is now ample to take care of the home demand. Wrought pipe shipments from this side will be cut down, particularly in the smaller sizes. It will probably be some time before any impression will be made upon the structural steel trade our mills have had there; but the Canadian duties on these products will be raised as capacity develops there to supply them. Such development is to be expected, as diversification of Canadian steel products will be forced by the decline in rail demand, for the great railroad building programme across the border is nearing the end. In a number of lines little loss will come to our Canadian trade for some years, though it is quite certain that the total of $120,900,000 worth of American iron and steel and machinery products shipped to Canada in the fiscal year ended March 31, 1913, will long stand as a high record. Steel making has not yet been profitable to the larger Canadian companies; it will take years for the industry to become seasoned against such competition as may develop from this side, particularly in times of depression here. In the case of the largest Nova Scotia plant there is the steady handicap of distance from Canada's best consuming district, to which American works have easy access.

So far as concerns the United States Steel Corporation which does a large part of our steel business with Canada, its disabilities under the increased tariffs will be removed when it builds its own works on the other side of the border. Yet there is some food for thought in the transplanting of industries and pay-rolls from the United States, now a low tariff country, open to competition from every quarter, to a country which sees wisdom in so framing its duties that the manufacturers within its border are assured of their home market.

Mr. Speaker, my trade doctrine is moderate protection for our industries and a home market for the farmer, and I am willing to take up the gauntlet on this matter and fight it out to-morrow. Berlin, Waterloo, Galt, Preston, Guelph, Hespeler, Elmira, Brantford, and other towns in the great commercial belt fed by hydro power want no free trade talk. We want and ask for no more favours from foreign countries than we are giving to them. Let us stand united as one people, filled with loyalty and enthusiasm towards our common country, Canada, which, under protection, has reached the point where it is the coming country of the twentieth century.

Mr. D. B. NEELY (Humboldt): Mr. Speaker, I am sure we have all listened with great pleasure to the very eloquent essay of the hon. member for North Waterloo (Mr. Weichel) on the subject of protection versus free trade. I am quite sure, too, that some of the conclusions which he has drawn from a review of the conditions in the two great countries he mentioned must come as new light to members on both sides of the House. With the form of my hon. friend's statement I have no fault to find; with the matter of it I have a very great deal of fault to find. In the first place, I object to accepting as facts statements obtained from the report of a certain travelling tariff committee known as the Gainsborough Committee, and familiarly known to the workmen of Great Britain as 'the trippers' tariff reform brigade.' This committee is the laughing-stock of the British workmen throughout the length and breadth of Great Britain, and my hon. friend should not present as facts the statements which he has presented as a comparison of the

conditions in the two countries. It will, of course, be news to the House, and somewhat disappointing news—whether or not we agree with the tenets held by the majority of the British people—to know that, as my hon. friend has told us, Germany under protection has made greater strides than Great Britain under her well-known policy of free trade. It will be surprising to us Canadians to learn that British statesmen on both sides of politics —because the free trade sentiment is not confined to the Liberal party in Great Britain, but extends to the Unionist party as well—I say it will be surprising news to us to learn that the statesmen of Great Britain to-day, living as they do in close proximity to the German Empire, have watched the progress of that empire since it adopted protection in 1879, and yet have not learned the lesson that the free trade policy of Great Britain is a huge mistake. I say it is a very strange thing; the British people must be slower to learn than most of us have thought them to be.

The hon. member for North Waterloo gave us some interesting statistics with regard to the natural resources of the German Empire as compared with the natural resources of the British Empire. My hon. friend might have given us a few more facts, but he either did not have them at his command or did not care to mention them. He might have told us, for instance, that on the Clyde river alone more ships are constructed in a year than are constructed in a year in the whole German Empire. He might have told us, if he had had the information, that whereas the German workman works 12 hours a day under protection, the British workman works from 8 to 9. He might have told us—and there I must question the source of his information—that notwithstanding the progress and development of Germany under protection, the British workman on the average gets higher wages than the workman in the German Empire. Of course, when we consider the source of my hon. friend's information, it is not surprising that he came to the conclusions that he did.

My hon. friend draws the conclusion that because the Liberal party was defeated in the election of 1911 on the proposed reciprocity agreement with the United States, that is the final decision of the people of Canada on the trade question. I happen to know—and I am sorry my hon. friend has left his seat—that the hon. gentleman spent some weeks during the course of the past summer in the constituency of South Bruce, in the province of Ontario. What about the mandate of that constituency, Mr. Speaker? In the last general election that constituency returned a Conservative member, a supporter of this Government. That gentleman resigned his seat and a by-election was held. It is within the bitter knowledge of members of the Government that notwithstanding the fact that my hon. friend the member for North Waterloo and his colleague the member for South Waterloo (Mr. Clare), both familiar with the German language, freely spoke in the constituency of South Bruce; notwithstanding the fact that my hon. friend the Minister of Finance and other members of the Government took an active part in that contest at that by-election, with a Dominion Government and a provincial Government behind them, hon. gentlemen opposite were not able to retain the allegiance of the electors of South Bruce.

And, more than that, I call on my hon. friend the newly elected member for South Bruce (Mr. Truax) to witness that in and out of season, on every platform from which he expressed his sentiments to the electors, he expressed his continued allegiance to and faith in the benefit of the reciprocity agreement that was rejected by the majority of the electors of Canada.

As I have said, I do not propose to follow my hon. friend through all the windings of his dissertation on the question of free trade versus protection. I have risen to my feet on this occasion to make a few observations with reference to the financial statement which the Minister of Finance has presented to the House in his Budget speech. I join with the Minister of Finance in congratulating Canada in one respect upon the fact that she has been able during the past year to pay such a large amount of taxes into the treasury of the Dominion of Canada, and if my observations in connection with the financial statements are somewhat unfavourable and opposed to the conclusions of the Minister of Finance my statements at least will be fair and frank and as free as possible from partisanship. In that respect, of course, I will be following only the noble example set the other day by the hon. member for Brandon, because I noticed that the Winnipeg Telegram of Saturday last, publishes this brief synopsis of his speech:

Seldom has Parliament heard a franker statement of questions of policy as they affect the West than was made by Mr. J. A. M. Aikins, member for Brandon, in the Budget debate to-day. It was free from partisanship and showed deep study and thorough understanding of conditions.

The second next paragraph reads:

Mr. Aikins showed that nothing had been done for the West by the late Government. They had delayed the construction of the Hudson bay road and even now were hostile to that enterprise.

I at least can show in my observations on the Budget speech as little partisanship as was shown by the hon. member for Brandon as quoted in the Winnipeg Telegram. I suppose it is the universal delight of Finance Ministers, when they make their annual statements to representative bodies, to boast of surpluses. That is natural as it would be for the Minister of War to boast of the number of armouries he had built and of the efficiency of the militia. But I cannot always see that a surplus spells prosperity for the country whose Governhas been able to obtain a surplus by taxing the people. I can understand the condition where a surplus is advisable in times of great material prosperity among the people. In that case a surplus is like the storing up of the corn in the fat years; but when the Minister of Finance, as my hon. friend did the other day, comes to the House and makes the statement that he has the proud distinction of announcing to the House and to the country that there is a surplus of revenue over expenditure and in the very next breath tells us that not for some years has there been such commercial and financial stringency in the Dominion of Canada as there is at the present time; then, Sir, I say that a surplus is not an advisable proposition because it simply means that my hon. friend the Minister of Finance admits that his Government were taxing the people sufficiently heavily to have a large surplus of revenue over expenditure while admitting that there is material distress throughout the length and breadth of the land. I think the greatest surplus that any country can have is a surplus of material prosperity and well-being amongst the people. The Minister of Finance says the worst of the hard times is over, but he probably has made prophecies before which have not come true, and we shall have to await the course of events, because whatever knowledge the Minister may have of future events, he certainly is not omnicient.

We do not know that the worst is over, but we do know, and even my friend from North Waterloo who boasts of his optimism, has said to the House that he knows that conditions have not just been all that they possibly could be in the commercial and industrial life of the country. He knows that fact, and he knows that the people to-day are feeling more than they have done for the last fifteen or eighteen years the burden of taxation. What is the remedy that my hon. friend proposes for this condition of affairs in the country? I say the remedy that he proposes is to add some more burdens to the taxpayers of this country. They are not taxed enough now, they are not burdened heavily enough, and my hon. friend is going to remove the financial stringency and to clear up the difficulties of the situation by adding to the taxes of people who already have too heavy burdens to pay. That may be sound economics, but I do not think it is. I think it is the most indefensible sort f economics that any Minister of Finance could present to the House and to the country.

The hon. member for Brandon (Mr. Aikins) told us that the Minister of Finance had an open mind on questions of tariff and probably on the question of whether or not the people of the West should be granted the boon of free wheat. I am glad that is true, but I have an awful suspicion that if the Minister of Finance has an open mind it is open only on one side. It is open, but the eye that looks upon the needs of the farmers and the ear that listens to their demands, that eye is blind and that ear is deaf. But the senses of sight and hearing on the other side of his mind are abnormally acute where the interests of the highly organized privileged classes of this country are concerned. I must say that so far as the people whom I represent in this House are concerned, the people of a western constituency, the tariff proposals of the Budget speech delivered by the Minister of Finance some days ago are the most bitter disappointment, the most bitter pill to swallow that the western farmer has had placed at his lips for many a long year. My hon. friend from Souris (Mr. Schaffner) can afford to laugh, he has an established future, but there are gentlemen on the other side of the House who have not that established future and who cannot afford to laugh. They know that what I say is true. I noticed the Solicitor General (Mr.

Meighen) paying particular attention to the Minister of Finance as he read the long list of tariff changes, and while there was applause both here and there I noticed that the Solicitor General kept very mum and looked just as mum as he kept. There were others on that side of the House in the same frame of mind. I did not hear any applause from the Minister of the Interior. The Minister of Public Works did applaud once. That was when the Minister of Finance announced that he was going to increase the duty on building stone in order to benefit the stonecutters of Canada. His applause was feeble, it is true, but in that respect at least he showed that he was in accord with the Government of which he is a member. These tariff changes were not altogether a surprise to members of this House. The Minister of Finance as we all know has a political history. He claims that at one time he was a follower of the Liberal party. If that be the case all I can say of his present situation is: how have the mighty fallen! From the moment of his taking office the Minister of Finance has proved to this House and to the country by the methods he has adopted and the policies he has pursued that while he is a friend of certain interests in this country, the farmers and the great consuming masses have absolutely nothing to expect from him.

What was the first thing thing this Government did when they came to office? A lumbermen's deputation came from the far West. Certain kinds of lumber, which under the Liberal Government had for many years been coming into our western prairies free of duty was taxed $2 a thousand by some strange interpretation of the statute on the part of hon. gentlemen opposite. The homesteader who wanted to build a shack on the prairie consequently had to pay $2 extra a thousand. The Supreme Court, I believe, reversed their interpretation, so that the farmers of western Canada who need lumber—and they all need it more or less—have the Supreme Court and not the Government of Canada to thank for saving them $2 a thousand on their lumber. That is only one item. We have heard of other items concerning the far East and all along down the line.

I must, however, give my hon. friend credit for cutting in two the duty on cement in the summer of 1912. I am not going to repeat the arguments that have already been made that this particular reduction happened to synchronize, to use the minister's own word, with the Saskatchewan provincial election. But to those gentlemen who argue that protection has nothing to do with the high cost of living I would say that if that is the case why did the Minister of Finance give the people of the West that reduction in the duty on cement in the summer of 1912? They may answer: To give us a larger quantity. Very true. But if the Minister of Public Works were in his seat, he would not deny that speaking to the people of Regina and through them to the people of the province of Saskatchewan, he boasted that this reduction of the Government would reduce the price of cement throughout western Canada. If a cut in the duty on cement helps to lessen the cost of building homes on the prairies, helps to lessen the cost of living, surely the same argument ought to apply to food-stuffs, to agricultural implements or to anything that hides behind a high protective wall.

Mr. BURNHAM: Do I understand that the hon. member wants to see all these things pouring into Canada free?

Mr. NEELY: I am afraid that I have a slight attack of deafness, and I believe it is in my left ear. I cannot answer just now a question that would take up perhaps half an hour, but I will try to answer it as I go along.

The minister's statement on the Budget was to the effect that the National Policy introduced by Sir John A. Macdonald was a policy of protection that was not subject to variations. That is what I understood him to say. That is not my view of the National Policy. The Minister of Finance and the hon. member for North Waterloo (Mr. Weichel) ought to read up the political history of their own country. If they would read the speech of Sir John A. Macdonald in introducing the National Policy they would find that one of his chief arguments was that Canada must build a protective tariff wall in order to force our nearest neighbour to give us better trade terms than we had hitherto been able to obtain. Does the Minister of Finance or any other hon. member of this House say that the reciprocity clause of the National Policy tariff was not just as important a part of that tariff as any other clause it contained? If the minister reads that speech of Sir John A. Macdonald's he will find that protection was but a means to an end, and that end was to obtain free entry to the United States market for the products of Canada. But it evidently does

not suit my hon. friend's purpose to go back so far in the history of Canada. The hon. member for North Waterloo did not dare to answer the question put to him by the hon. member for Red Deer (Mr. Michael Clark).

I am not on my feet to discuss, as the hon. member for North Waterloo has done, the difference between protection and free trade. To those members of the Government who obtained office by opposition to the reciprocity agreement I would say that while many of us on this side of the House may be believers in the doctrine of free trade we are not the iconoclasts that they endeavour to make us out in the eyes of the people. We recognize that this country is situated under peculiar conditions and has been since Canada became a nation. To the south of us we have a country of 100,000,000 of people who have for many years been in favour of the policy of high protection. Surely we in Canada are not going to admit that we are behind them in our forwardness of thought on the trade question. The Minister of Finance—I have read his speech carefully from end to end—while extolling the policy of protection for Canada, never made a single reference to the trend of thought in the great republic to the south; never called attention to the fact that in these days the people of the United States—and whatever may be our prejudices against that country we must admit that the American people are a great people—have come to the conclusion that they were deceived in their views, and that to-day the President and the Government of that country are setting about to see how rapidly they may do away with that protection, which they consider has ceased to be a benefit even to their manufacturing industries.

I have said that the tariff proposals in the Budget were a great disappointment, and I reaffirm that statement. There is no question of doubt, that the members of this Government understand very clearly and very thoroughly what are the views of the people of the West on the questions that are dealt with in the tariff proposals of the Minister of Finance. I can say to the hon. gentleman, that there will be no question in the minds of the people of the West just what he meant as to these tariff proposals, because when you take the whole list of proposed changes, what do you find? You find one small item of comfort thrown out as a sop to the farmers of western Canada, and you find every other reasonable demand they have made on this Government, along tariff lines, absolutely refused, while on the other hand a great many changes have been made to increase protection on the manufactured products of this country.

Some people say that the farmers of the West do not want to pay their fair share of taxation. That is an absurdity, and, more than that, it is a slander on the people of western Canada. They are willing to pay their fair share of the taxes, but they want a square deal from this Government or from any other Government. If this Government proposes to legislate for certain sections of the country, then the sooner the sections that are to be left out in the cold become aware of that fact, the better it is for them. Here are the farmers of the West, men who have gone out as pioneers to break up the virgin soil, and who have endured hardships and privations of all sorts, and, in many cases, hunger, and want, and cold. There are many of those settlers who have gone forty miles, fifty miles, yes one hundred miles, beyond any available railroad, hoping that some time in the future means of transportation would be provided for them. These men have toiled and waited patiently for the advent of better things. To-day, we have in many cases, better transportation facilities, but what do we find? We find that after these men have gone through all this period of privation and hardship, there comes a time when they are able to hitch their team to a wagon, fill that wagon with the finest wheat grown in the world, and send it to market; but when they get that far, they find that the price they receive for the wheat barely pays for the cost of production. And yet, because there are a few buildings erected a few miles east of Winnipeg, with a certain amount of more or less valuable machinery in them, and because certain wealthy interests from the eastern part of Canada have come up there for the purpose of making money out of the milling of the farmers' wheat, the Minister of Finance says to the farmers: these men who have gone from the East and established their mills to mill your wheat, tell me that it will not be to your advantage to give you free access for your grain into the markets of the United States. True, Sir, these millers are few and the farmers are many in number, and the farmers have expressed, practically unanimously, their desire for free wheat, but the Minister of Finance and the Government bow to the wishes of the millers. I would not take up the

time of this House for one moment, discussing the pros and cons of the question, were it not that I simply wish to ask the House: Who should be the best judges as to whether or not they should have a market in the United States for the product of their hands, and for the result of their toil, year in and year out, if it is not the farmers who produce the wheat by the sweat of their brow and the labour of their hands? I venture to say that if a referendum on this question of free wheat were taken in western Canada—including the cities, taking Winnipeg, Regina, Moosejaw, Edmonton and Saskatoon—ninety-five per cent of the people of the prairie provinces would vote in favour of free wheat. And yet, because of a few mills down farther east than the city of Winnipeg, the owners and operators of which paid last year dividends of from thirty to sixty per cent; because these men come to the Minister of Finance and say: We do not want the farmers to get free access for their wheat into the markets of the United States, the Minister of Finance says to these gentlemen: All right, you seem to have made out a good case, I suppose I shall have to give you what you want.

This is not a political question, by any manner of means. I am stating the case plainly and strongly, because I feel it strongly. I know what the conditions are in the West to-day, and I know that they are extremely unsatisfactory. If this be a party question let the Minister of Finance tell the House what the Manitoba legislature meant on the 12th of January last, when it passed a unanimous resolution in favour of taking the duty off wheat and wheat products. What did the Manitoba legislature mean by that? My hon. friend from Souris (Mr. Schaffner) will not say that his political chief in the province of Manitoba is not a patriot. Sir Rodmond Roblin was knighted by the King not long ago for being a patriotic broad-minded Canadian citizen, and surely he would not have this House legislate for the West against the East, or for the East against the West, and yet the Manitoba legislature unanimously resolved that free wheat should be given to the farmers of the prairie provinces.

I brought this matter up in the House on the occasion of the Address, and I was told it was not the proper time and place to mention it, and I just casually mention the fact again, because I was told then that this would be the proper way to present the subject before the House. I regret to say that I have not met with any more satisfaction now than I did then. And why? I maintain that we in the West have been giving too much credit to our representatives from that part of the country, who are members of and supporters of the present Government. We had thought that the farmers of the West would get justice, with the assistance of the Minister of Public Works, of the Minister of the Interior, of the Solicitor General who is an able supporter of this Government if not a member of the Cabinet, of the hon. member for Brandon (Mr. Aikins) and the hon. member for Calgary (Mr. Bennett), from whom we expected great things in this House, which have not materialized yet, although we are still living in hopes. We expected great things from the hon. member for Calgary. He was going to fight for natural resources, but he has not started that yet. He believes in free wheat; I understand he told his electors so last summer. We have heard nothing of that yet. But there are other things on the way, and then perhaps we will hear the lion roar. Every one of these gentlemen, the hon. member for Souris (Mr. Schaffner), the hon. member for Lisgar (Mr. Sharpe), the hon. member for Calgary (Mr. Bennett), and the hon. member for Prince Albert (Mr. McKay), all supporters of the Government, are perfectly aware that what I say about the sentiment in the West is absolutely true. If my hon. friends do not believe it, just let them read the editorials in the Winnipeg Telegram, which, as everybody knows, is not a Grit organ, but the official Conservative organ in the province of Manitoba. Let them read, for instance, the editorial of the 13th April, and what will they find there? They will find words to this effect, and I think this editorial expresses very fairly the viewpoint of the people of the West on this question:

> There is no undue sectional spirit in the West. If there were, it would display itself in resentment at the refusal of the Government to grant a more substantial reduction in the tariff on agricultural implements.

Further on:

> But much of the discussion on free wheat sounded strangely like a confusion of 'eastern' interests for 'national' interests. A predominantly western issue has been decided by considerations of the East, rather than of the West, or from a strictly national viewpoint. Free wheat is the desire of the western farmer, who is the great wheat producer of this country. It is now within his reach, without the evils that would follow from a compromising of the country's fiscal independence as was proposed under reciprocity. The western farmer believes that free entry for his wheat into the

markets of the United States would be an advantage to him.

This much is not denied in the East, but it is argued that the milling industry and the transportation interests 'might be adversely affected,' and these interests the West cannot avoid feeling are essentially eastern interests. Nor can the western farmer well avoid asking why the West should be expected to maintain the prosperity of these purely eastern interests, by the retention of a tariff that not only does not protect him, but that shuts him out from a great and profitable market? The West, it must be remembered in this connection, already pays a heavy toll to the prosperity of the transportation interests in a higher standard of freight traffic than are in vogue in the East.

The editorial writer of the Winnipeg Telegram can find absolutely no reasonable ground or excuse for the action taken by the Government in refusing the farmers' demand for free wheat. This organ states as openly as words can state that this refusal means nothing more or less than a concession to the milling interests which are essentially eastern interests.

We on this side of the House are accused of raising issues as between the East and the West. We are not attempting to do anything of the kind. If any such issues have been raised they have been raised by hon. gentlemen on the other side of the House, because the Finance Minister knew very well how his announcement that the western Canadian wheat grower was not to be given free access to the United States market would be received on this side of the House. What has he done in this debate?—put up members representing the rural constituencies in Ontario to tell the farmers of the West how they ought to farm, to give us not free wheat, but a lot of free advice on matters about which many of these gentlemen knew nothing? They glibly talk about mixed farming when they do not know the situation in many regions of the West. They are put up to do so, and to say that the West has received very fair and equitable treatment up to date from the East, and so on. That sort of discussion is far from being profitable discussion. It is a species of discussion that should not be heard on the floor of this Parliament. We believe in the West that Canada is one united country, we want to remain a united country, and for that reason we think that this Government, especially in view of the fact that it is giving, or proposes to give, to eastern manufacturing interests very important concessions in the matter of increases in the tariff, and by inserting new tariff items where they have not enjoyed the benefits of the tariff before, might have gone the length of giving the farmers of the West the one thing that they most desire at the present time, and that is free access for their wheat to the markets of the United States.

10 p.m.

We think they might have done that because, while there were objections raised to the reciprocity agreement on account of the fact that it was a sort of treaty between two countries and there might be international complications and disagreements and that sort of thing, all this Government had to do to give the farmers of the West the benefit of the United States market for their wheat was, when the tariff proposals were brought down, to authorize the Finance Minister to say simply: We propose to remove the duty on wheat and wheat products entering the Dominion of Canada. Ipso facto our wheat and wheat products would go free into the markets of the United States. What is the situation? We are told that our wheat should not be allowed to go to the United States. Some of it is going there already. As for other cereals that we grow, oats, flax and barley, what is the condition of affairs? This country refused reciprocity, this country would not endorse it, but what is the condition? I want to appeal to the members of this House from the province of Ontario who won their election by appeals to national and patriotic sentiment. Under the Wilson-Underwood tariff the duty on oats was reduced to six cents a bushel on the 3rd of October last year. What has occurred in western Canada since that time? Up to the close of navigation 20,000,000 bushels of western oats went down and were sold in the United States market mostly for consumption in that country. Since then between 5,000,000 and 10,000,000 bushels more have gone. Every bushel of these oats paid into the United States treasury six cents. Taking the quantity at 25,000,000 bushels, there is $1,500,000 that the farmers of western Canada paid into the United States treasury this year on account of the oat crop alone. That is not the principal crop by any means in western Canada. Is it patriotic, is it conducive to patriotism, is it conducive to strengthening the bonds of empire that we hear so much about from imperialistic gentlemen like the hon. member for Brantford (Mr. Cockshutt) and from other hon. gentlemen in this House, to compel our fellow countrymen to ship their oats and other cereals across the line and pay very liberally for the privilege

into the coffers of the United States? Take the item of flax, for instance. The Underwood Tariff, I understand, reduces the figures on flax to 20 cents per bushel. Everybody in the West knows that the great percentage of our flax goes to the United States, no matter what it has to pay, because there is where the demand is. Now what particular benefit to Canada is there in compelling the flax grower on the western prairies, if he had the privilege of saving that 20 cents a bushel on his flax—

Mr. BLAIN: Will the hon. member allow me to ask why the late Government put a duty of 10 cents per bushel on flax?

Mr. NEELY: I cannot see any point to the hon. gentleman's question.

Mr. BLAIN: I did not wish to interrupt, but I wished to get the information.

Mr. NEELY: I may say that there are members of the Government present, and they could be better able to give the hon. gentleman information.

Mr. BLAIN: Members of the late Government?

Mr. NEELY: I mean of the late Government. I was not a member of that Government any more than the hon. member for Peel (Mr. Blain) is a member of this. I can imagine—though I have not been told—that the late Government put a duty on flax for the same reason that they removed the reciprocity clause from the tariff—in order that they might some day be in a position to make terms with the United States when the United States were willing to consider a reciprocity arrangement. I cannot see any other reason. But I think that the reciprocity agreement proposed in 1911 is the answer to the hon. gentleman's question. Because in that agreement it was proposed to remove absolutely the duty on flax and other cereals, and had that been carried out the western Canadian flax grower would be getting 20 cents per bushel or thereabouts more for his flax in the United States than he can get to-day. Of course, in relation to these items of flax, barley and oats, we have to put up with conditions as they are, because the Wilson-Underwood Tariff is not subject to this Government or the people of this country, it is a tariff made by the United States. But in regard to the item of wheat we are in a different situation, for there they still hold out the offer of reciprocity in wheat and wheat products. The Minister of Finance, when he became a member of this Government attempted to make it plain to the people of this country that his duty would be to see to it that every interest in this country should be fairly treated and that he would do his best to see that the people were not oppressed and ill-treated by the trusts and wealthy interests of this country. How has he carried out that proposal? Why, free wheat, as he knows, means that the millers will have to pay the farmers a little more for their wheat while the consumers will get their flour at a great deal cheaper rate. Yet the Minister of Finance not only refused the requests of the western farmer for free wheat, but I believe that in this respect he has refused the request of his own followers in this House. So, you see, while the Minister of Finance is exceedingly sensitive towards the accusations levelled against him in this House and out of it, that he is a member of the Government representing a certain interest in this country, that he is, as it were, the hired man of certain interests, the position he takes on this question of free wheat, is to my mind absolutely conclusive evidence of the atttitude he holds towards the great mass of farmers not only of the West but of the East as well. For we must admit that it makes no difference whether a man farms east of the Great Lakes or west of the Great Lakes, there is a community of interest. I notice that in the province of Ontario to-day many of the farmers who were deceived and deluded into voting against the reciprocity agreement, are not averse to taking a higher price for their cattle and hogs which to-day they are shipping across the line into the markets of the United States. They are doing this right along the border, in Ontario, Quebec and the Maritime provinces. There is no difference amongst people when it comes to a question of dollars and cents. Since the advent of this Government we have had very pronounced warnings of the terrible dangers that would beset us if we had entered into that reciprocity agreement. But what harm has been done to the country by placing our farmers in a position to send their cattle, hogs and sheep into the United States for sale?

Mr. BRADBURY: Under reciprocity?

Mr. NEELY: Is the hon. gentleman afraid that if we take the duty off wheat this country will be flooded with wheat from the United States?

Mr. BRADBURY: The hon. member was talking about cattle a moment ago.

Mr. NEELY: Yes, and I am talking about cattle still. Is the hon. gentleman afraid that cattle would come in? If he will take up his western papers, he will get some light on that subject. For instance, I have here a copy of the Calgary News-Telegram, a western Conservative paper. I find in this paper a statement that during last month $750,000 worth of cattle and hogs were shipped to points, most of them southerly in the United States.

Mr. BRADBURY: Stockers.

Mr. NEELY: Are the hogs stockers too? The Calgary News-Telegram, though, as I have said, a good Conservative paper, finds no fault with this arrangement. The hon. member for South Ontario (Mr. Smith) talked about dangers of business alliances with the people in the country to the south. In the name of common sense how are you going to stop them if the United States want to take the duties off oats, barley and wheat? This puny talk about granting of free wheat to the farmers of the West destroying Canadian industries, Canadian railways and transportation companies, is the talk of little Canadians and not of men who have the right conception of the possibilities of the great West of this country.

I have under my hand an article published in the official organ of the Canadian Manufacturers' Association, known as Industrial Canada. I shall not read the article, but it is headed 'Free Wheat.' After saying that the farmers of western Canada first wanted a Hudson Bay railway and now want free wheat, the article goes on to argue that the two things are incompatible; that if you build that railway and then give the farmers free access for their wheat to the markets of the United States, you are not going to have any traffic for the railway. What an absurdity that is, in view of the fact that 10 or 12 per cent—certainly not over 15 per cent—of the agricultural soil of western Canada is under tillage to-day. If you can show the people of western Canada and the people across the line who would become settlers in our West if they were assured of its future; if you can show them that they are to have the benefit not only of good transportation facilities for the exporting of their products to Great Britain and the other markets of the world, but also a free access to the market of 100,000,000 people to the south of us. I say that the production will increase by such leaps and bounds that the railroads in western Canada will have all the business they can take care of, and probably a great deal more. When the Minister of Finance talks about waiting for the completion of our transportation systems before we make any experiments in connection with the abolition of the duties on wheat and wheat products, I say that the minister has not a true conception of the possibilities of the country over the affairs of which he and other hon. gentlemen opposite preside.

As I said, I am not going to argue the question of free wheat. I know that argument is probably of little effect at this time because the Government has made up its mind—which is, as I say, open on one side and closed on the other. I do not see any reason why we should beat our heads against a stone wall. The question has been settled by the statement of the Finance Minister and I suppose, notwithstanding the fact that there are a number of western members on the other side of the House, that when the question comes to a vote these gentlemen will line up behind the Government in refusing to grant the request of the farmers. If they did not do so; if they would vote as they think, we would give the Government a mighty close call on this question, but I am afraid they will not vote as they think. I want to tell my friends the members from the West who are supporters of this Government that it is not a mattter of very much concern to hon. gentlemen on this side how they vote. They themselves know, every one of them, that a large percentage of their constituents will be watching the newspapers very closely during the coming days to see whether or not their representatives in this Parliament are going to give allegiance to their party rather than meet the wishes of ninety or ninety-five per cent of their electors.

The issue is clear and plain; the Finance Minister has told us that we have to wait until our railroad systems and transportation routes are completed. I am afraid that by that time conditions in western Canada, if they continue as they have been during the past two years, will have become so serious that our country will have gone back to a position similar to that which it occupied in the year 1896 when the Liberal Administration came into power.

Mr. W. H. SHARPE: A few moments ago the hon. gentleman spoke about some of the milling companies of Canada making as

high as sixty per cent on their capital. I would like to know what authority he has for making that assertion.

Mr. NEELY: In the Montreal Standard of April 14, 1914, a correspondent of that paper makes the absolute assertion, without contradiction, that the Lake of the Woods and Ogilvie Milling Companies last year made from 30 to 60 per cent on their capital. I presume that the Montreal Standard is a fairly reliable authority.

Mr. SHARPE: Does the assertion appear in an editorial?

Mr. NEELY: No, it is in an article on the second page.

Mr. SHARPE: Who signed it?

Mr. NEELY: The name of the contributor, although not given here, must have been given to the newspaper, and must have been considered sufficiently reliable to warrant publication of the article. The article is signed Canadian Consumer.

Mr. SAMUEL SHARPE: It should have been Canadian Liberal.

Mr. NEELY: The Montreal Standard is a Conservative newspaper, and I am sure that if the information were untrue, it would have been contradicted, because the Montreal Standard and other good Tory papers throughout the country know that on the question of the high cost of living this Government has its troubles just at this time.

In dealing with the question of the duty on agricultural implements I will be brief, because I had the privilege of touching on that subject in connection with the resolution introduced by the hon. member for Moosejaw (Mr. Knowles). As I understand it, the main object of a tariff is to give infant industries, as they are called, a chance to become established in the community where they rightfully belong, so that they can bear competition with similar industries in other countries.

In looking through 'Hansard' of 1906-07 the other day in search of a reference, I came across a very excellent definition of protection made in a speech delivered during the Budget debate of that session by the member for Brantford (Mr. Cockshutt). Ever since I first read about the Halifax platform of the Conservative party in which they used the words 'adequate protection' I had wondered just what was meant by that particular expression. I have here a definition given in the speech delivered by the hon. member. He said:

> I do not claim to be a high protectionist, but I stand for adequate protection. I have sometimes been asked to define what I mean by adequate protection and I have replied that adequate protection is a protection that will protect. What I mean by that I explain in this way. If you ask me what clothes I am going to put on to-day, I ask you what kind of weather you are going to have and if you tell me I will know how to dress for it. If it is a cold day I will put on a heavy overcoat; if it is a moderate day I will put on a light overcoat; and if it is a warm day I will go without an overcoat. So it is with the tariff.

That is the definition given by my hon. friend of adequate protection. If it is a cold day he will put on a heavy overcoat, if it is a moderate day he will put on a light overcoat and if it is a warm day he will go without any overcoat—and I suppose if it is a very warm day he will go in his shirt sleeves. That sounds like a very reasonable proposition. Would the hon. member for Brantford, having that definition in mind, tell us when he considers it is going to be warm enough in this country to permit the Government to abolish the duties on agricultural implements? What kind of weather does he want? How warm has it to be? Will it have to be equator weather or, as my hon. friend behind me suggests, would we have to leave this world altogether to find weather warm enough to suit my hon. friend from Brantford. That I think, after all, is a rather fair illustration, if we are going to have a protective tariff at all, of what ought to be its object. The Minister of Finance told the member for Assiniboia the other day that if he were consistent and were going to advocate the abolition of duties on agricultural implements, he must go further and pronounce himself in favour of absolute free trade. That does not follow, in my judgment. It absolutely does not follow the definition of my hon. friend for Brantford of the meaning of the term 'adequate protection.' Adequate protection simply means that you wear an overcoat as long as you need an overcoat and just the minute the weather is warm enough so you can dispense with the overcoat you dispense with it. When does my hon. friend think it is going to be warm enough for the agricultural industry of the Dominion of Canada to go without an overcoat? The charge is laid at the door of hon. gentlemen on this side of the House that because we are

in favour of the abolition of the duty on agricultural implements we are in favour at the moment of the abolition of duties on everything else. I deny that accusation. Whatever my theories, whatever my principles of economics may be, I recognize that we must consider conditions as they exist in Canada to-day and govern ourselves accordingly. But does any gentleman in this House, in view of the fact that members on this side have moved for free agricultural implements, undertake to say that the agricultural implement industry is not in a totally different position from any other manufacturing industry in this country? Why have we a tariff wall around this country? To protect us, very largely, from importation from the United States without the corresponding privilege of exporting to that country. What has the Wilson-Underwood tariff done? Among the manufactured articles placed on the free list by that tariff are agricultural implements. They are absolutely free, so that whereas to-day the Canadian farmer, by what is practically an export duty, is prevented from selling his surplus wheat in the United States, he is also compelled to pay duty on the implements he uses, notwithstanding the fact that the people who manufacture these implements have not only the home market in Canada open to them, but the market of one hundred million people right alongside of the international boundary. Is that market of no advantage to the manufacturers of this country? My hon. friend for some years, I do not know for how long, sent very considerable shipments from his own factory across the international boundary and paid fifteen per cent duty, and a farmer near St. Paul could buy a plough a great deal cheaper than the Manitoba farmer, notwithstanding the fact that that plough had paid on it fifteen per cent duty to get across the international boundary line.

Mr. COCKSHUTT: Who paid the duty in that case?

Mr. NEELY: I care not who paid the duty, that is an old friend, we have heard it often. The essential point is that the American farmer got the plough cheaper than the farmer in Canada after somebody had paid the duty on it. Whether it was my hon. friend or the interest who bought the plough from him makes no difference. My hon. friend was making a profit, and the people who sold the implement in the United States were making a profit, and fifteen per cent duty was paid into the coffers of the United States Government, and yet the American farmer got the plough cheaper than the farmers of this country. My hon. friend must be congratulating himself on the removal of that fifteen per cent duty, because whether he gets a profit or not somebody must. He says it is a poor market. Is it a poor market? How then is it that the Massey-Harris Company or the controlling interest in that company went over two or three years ago into Batavia, New York, and purchased a controlling interest in a large harvester work which they operate and control at the present time? If the manufacturers of agricultural implements in Canada to-day are at some disadvantage in reaching their ultimate market in western Canada on account of long freight hauls, what about the advantage they have acquired by getting free access into eastern United States for the products of their factory so that their products enter that market without one cent of duty? Some of these gentlemen say: You ought to solve this question if you put agricultural implements on the free list you ought also to put on the free list the raw material that enters into them. What have we on this side of the House to do with that question? We are not the Government of the day. What we want the Government to do is to admit the principle that the farmers in Canada, in view of the fact that the United States have given free entry to the agricultural implements of this country, have borne long enough the burden of a customs duty on every implement they use on their farms. It is not our duty to say what shall be done in regard to the raw material. We on this side of the House do not want any manufacturing industry in this country injured. If it is an industry indigenous to this country we want it to flourish. Eight years ago the hon. member for Brantford boasted in that same speech that the agricultural implement industry of this country was in such a flourishing condition that even at that time they could compete in the open markets of the world. If they were able to do that then, surely after eight years of continued prosperity they can do it now. I do not attach so much importance to the question of free agricultural implements as I do to the question of free wheat. The Government have refused one proposition, we appeal to them to give us the other. They have given a five per cent reduction on mowers and binders, but all the operations of farming are not carried

on by means of these two implements alone. First of all, the ground has to be ploughed in the spring or in the fall. The Minister of Finance told us the other night that he had looked into the agricultural implement industry so far as binders and mowers are concerned. I wonder why he did not go a little farther in his investigation and consider the question of ploughs, cultivators, seeders, and other implements. I do not know that we have very far to go to find the reason, but whatever it be let me tell the minister that if all he is prepared to do is for the farmers of Ontario, of Quebec, of the Maritime provinces—I will put the farmers of the West last in this case—is to give a reduction of five per cent on binders and mowers, I am afraid that so far as any particular benefit is concerned—especially political benefit—my hon. friend might just as well have left the tariff as he found it.

There is just one other item to which I shall refer, and then I am through. Within the last few days—I presume my experience is similar to that of many other western members—I have received numerous letters and petitions from the different interests in my constituency, farming and otherwise, protesting against one particular tariff proposal, that is, the tariff on iron and steel products. I had looked into this subject a little before receiving these communications, and had come to the conclusion that if there is one indefensible feature in the Budget it is the proposal to place a tariff on wire rods entering this country. As the House knows, and as the Minister of Finance told us the other night, there are only two large iron and steel plants in this country manufacturing wire rods. These rods are the raw material for wire products, such as nails, screws, etc. The two companies are the Dominion Iron and Steel Company, and the Steel Company of Canada which is situated, I believe, at Hamilton. The Steel Company of Canada is a merger of a number of companies. I have some figures here which go to show that while the authorized capital of this company amounts to the sum of $35,000,000—$10,000,000 in bonds, $10,000,000 preferred stock and $15,000,000 common stock—the actual amount of capital of all the companies participating in that merger was only in the neighbourhood of $10,000,000—$10,000,000 real capital, $25,000,000 worth of watered stock, that is what it amounts to. No doubt the same is true of the Dominion Iron and Steel Company. That company has an enormous capitalization, somewhere in the neighbourhood of $45,000,000. I do not wonder that these two great companies with their enormous capitalization and limited output find it necessary to come to the Parliament of Canada to have a tariff placed upon wire rods in order that they may pay a fair dividend on their common stock. The Minister of Finance explained the situation frankly and fully. He said that during the last fifty years small independent concerns had established themselves in different parts of Canada, at Toronto, Hamilton, and other points for the manufacture of wire products from wire rods which were then free of duty. These independent companies were able to establish themselves because of the fact that the Dominion Iron and Steel Company which, until a year or two ago was the only manufacturer of wire rods in this country could not dictate prices. The United States Steel Company at Pittsburgh enabled these independent concerns to get their wire rods at reasonable prices, and they could consequently make a profit in manufacturing the wire rods into the finished product. About four or five weeks ago a delegation representing these independent companies visited Ottawa and interviewed the Minister of Finance.

They presented their case, I understand, as thoroughly as they could; they stayed here some days, and they told the Minister of Finance that if he gave a bounty to the manufacturers of wire rods, or if he put a tariff on, which would practically have the same effect, he was placing power in the hands of these two companies, viz., the Dominion Iron and Steel Company and the Steel Corporation of Canada, by which they could put every independent wire manufacturing company in this country out of business. In the past, if the Dominion Iron and Steel Company or the Steel Corporation of Canada said to these independent concerns: You will have to pay a bigger price for your wire rods, all they had to do was to send their orders to Pittsburgh and get their raw material from the United States. But, the effect of this new arrangement is that these independent concerns are no longer able to import their rods from the United States. Even yet, under this tariff, some of them will have to import wire rods, made from Bessemer steel, for certain kinds of finished products, but in the main they will be compelled to purchase their wire rods from those two companies, which are the only manufacturers of wire rods in Canada.

This deputation, representing these interests, visited the Minister of Finance in this city, and they presented their case to him. Of course, the Minister of Finance has assured us that he will see to it that the smaller independent concerns get fair treatment and are not put out of business. That is all very fine, but I insist that, if his tariff proposals become law, he is putting every independent wire nail manufacturing company in this country in the hands of these two concerns—and why? Both these companies, as I understand it, propose to go in for the manufacture of the finished products. What then will be the effect of this tariff? It will be, that these two companies can say to the independent concerns: you must pay so much for your raw material; and, if these two mergers want to go ultimately into the manufacture of the finished products of nails and wire, after raising the price of raw material to independent concerns they can drop the price of nails and wire, to such a point that they absolutely will compel every independent concern in this country to go out of business. Does the Minister of Finance deny that, untrammelled and unhindered by his influence or some other, that cannot be done under this tariff proposal? The Minister of Finance does not answer. He may have the utmost faith in the good intentions of these two companies, but it is a very strange thing that the other manufacturing concerns who interviewed him do not possess the same confidence in them. I believe there was a proposal for an arrangement between these two concerns and the independent concerns, that if the tariff were to be put on they would not raise the price of the raw material, but my information is that an agreement was not reached on that point, and yet the Minister of Finance calmly asks us to support this proposal. And Sir, so far as the consumer is concerned, the ultimate effect of the tariff is, that if these two great mergers put the independent concerns out of business, the consumer will have to pay the higher price in the end. I listened very carefully, and I have read carefully, what the Minister of Finance had to say on that subject, and while he did say something to the effect that he would see that no injustice was done, he did not say that if this proposal became law, these two companies would not enjoy the power I have mentioned. I make this protest here, because the matter has been brought to my attention by a large number of my own constituents.

In closing, I desire to say that I listened with more or less surprise to certain statements that were made in this House by my hon. friend from Brandon (Mr. Aikins). That hon. gentleman, who, I am sorry is not in his place to-night, is not a very happy individual these days. He is, I believe, one of those who are not entirely pleased with the tariff proposals of the Minister of Finance. The hon. member for Brandon is a very loyal Conservative; he is what you would call a real good Tory at heart, and, not wishing to attack the Government of which he is a supporter, he turned his attention to an attack on the late Administration, and he gave us a review of the history of the West. I am not going to follow him in that review, except to say that the hon. member for Brandon has lived in the West for a great many years; he has seen the changes which took place in that country previous to 1896, and for the fifteen succeeding years, and it was a source of surprise to me to hear him lay the blame at the door of the late Administration for the serious conditions which confront the people of the West to-day. The hon. gentleman (Mr. Aikins) is one of the respected citizens of Winnipeg, and I believe he has become wealthy in the practice of his profession. He has seen, under the Liberal Administration, his own city of Winnipeg develop from a place of very small dimensions until it is to-day the third city in this great Dominion. He has seen the West populated; he has seen the transportation systems grow throughout the length and breadth of that country. During the fifteen years of the Liberal Government he has seen two new provinces carved out of what years ago was trackless prairie. He has seen other changes, he has seen many things done in the interests of the farmers of the West by the Liberal Government, and finally the hon. gentleman owes his position in this House as a supporter of the Government, and not a supporter of an opposition, owing to the fact that the Liberal Administration went down to defeat in support of an issue that primarily had for its object the benefiting of the great masses of the people of this country, the farmers and consumers. He said we had done nothing and he reminded us of what the present Government had done. I regret that among the things he took credit for was the reduction of the freight rates in western Canada by the decision of the Board of Railway Commissioners. If there is one body in this country that I would deplore seeing brought into the arena of partisan discussion, it is the Board of Railway Commissioners, be-

cause the moment that is done, in my judgment, the usefulness of that board is impaired. Surely the Government does not support the view taken by the hon. member for Brandon that any credit is due to it for that decision? My recollection of the documents in connection with that case is that shortly after the present Government came into power the Winnipeg Board of Trade instituted an inquiry or made a complaint to the Government and to the Board of Railway Commissioners. They took up that complaint, and, as I understand, by order of the Board of Railway Commissioners, this investigation was prosecuted. The provinces of Saskatchewan and Alberta appointed a counsel to represent the people of the West before that commission. In the prosecution of the case no one took so active a part on behalf of the people of the West as did the counsel who was appointed to represent the two provinces. I am very much surprised that the hon. member for Brandon should be in such a bad case that in order to put something down to the credit of this Government he had to bring the Board of Railway Commissioners into partisan discussion.

I have spoken somewhat longer than I had intended to and I have spoken because I feel the responsibility of expressing plainly, and as honestly as I can, the views of the people whom I represent in this House. I am free to say that the tariff proposals are a great disappointment to the people of western Canada. I suppose it is too late for a change or for any remedy, but I do wish that that open mind of the Minister of Finance would open for a little while on the other side and that at least, when he brings down another Budget Speech, it may have more cheer, more hope, more promise in it for the future welfare and well-being of the people west of the Great Lakes than anything I can find in the proposal with which he so recently favoured us.

11 p.m.

Mr. W. A. CLARKE (North Wellington): Mr. Speaker, it is not my intention to occupy very much of the time of the House at this late hour. I would like to compliment the hon. member for Humboldt (Mr. Neely) on his oration. I feel that he has, considering the length of the speech which he has delivered, done remarkably well. I sometimes feel that members from the western provinces take up a very great deal of the time of this House, and at other times I feel as if the members from the Maritime provinces take up a great deal of time. It seems to me that the condition of affairs in the province of Ontario, is sometimes neglected by those of us who are responsible to the poeple there whom we represent. We do not occupy the time in debate that we should, and I feel that it is my duty representing a rural constituency, to make a few remarks upon this question.

I do not intend to try to answer the speech of the hon. gentleman who has just taken his seat. I do not feel that I could answer that speech, and I feel satisfied that he has possibly done what he felt to be the best he could in the interests of the people he represents. I do not know whether, when he asked the question: What is meant by adequate protection? he expected to get a reply. I do not think it would be possible for any man to make a reply to the question as to what is adequate protection. But I would like to advise the hon. member for Humboldt and other hon. members on the opposite side of this House of the fact that the moment they swerved from the National Policy as it existed during the regime of the Conservative party and adopted the policy of free trade that they tried to present to us in 1911, they found out from the electors very decidedly what inadequate protection meant.

Coming, as I said, from a purely rural constituency, I feel that I must give expression to my opinion in connection with the tariff as it will affect our county when applied in accordance with the announcement contained in the Budget speech of my hon. friend the Finance Minister (Mr. White). I was somewhat surprised the other day to hear the hon. member for South Wellington (Mr. Guthrie)—and I am sorry he is not present this evening—when he spoke upon the reduction or abolition of duties on farm implements. He made the remark that he was sorry that some of his colleagues representing neighbouring ridings were not in their seats in order that they might give expression to their opinions. He undertook to state what the existing condition of affairs was in his riding. What he said can be seen in 'Hansard,' and therefore it is not necessary for me to read it, but his observations were to the effect that he had made inquiry and found from the electors of the agricultural portion of his constituency that they would be pleased

to have the duties removed from farm implements. I was not surprised. If any member of Parliament would go to the agricultural electors in his constituency and say to them: We are going to remove the duties from farm implements and we feel that you will get your implements cheaper, he would naturally get a reply to the effect indicated by the hon. gentleman if they thought they were going to save a little money. I have been going up and down at intervals since the session began, and when I arrived in my county I did not hear of any of the agriculturists there complaining about a money stringency or depression. After reading the speech of the hon. member for South Wellington, I felt that it was my duty, when I had gone home for the Easter holidays, to inquire into the state of affairs that existed. I started on this expedition of inquiry, and met farmers of North Wellington and of South Wellington. One farmer living close to the town in which I reside, when I asked him how he thought the new tariff was going to affect the farmers, said he was surprised at the criticism and that he thought the farmers had no reason to complain. He said: I brought into town two teams of farm horses for which I found a buyer at $1,200. That is equal to $300 per head for horses. Well, I feel that if the farmer can raise agricultural horses and take them into a neighbouring town and sell them at $300 a head—he has not much reason to complain. I got into conversation on the train, some time ago, with a gentleman who is one of the best friends the hon. member for South Wellington (Mr. Guthrie) has. We were discussing the abolition of duty on cattle going into the United States. I knew he was a big stock dealer and so I said: I suppose you will be selling a lot of cattle. He said: I have 103 head to sell. I said that would represent quite a sum of money, and he agreed that it would for he was to get 8 cents per pound. I said that he would receive great benefit by the removal of the duty from cattle going into the United States. His answer was, 'Unfortunately, in the interest of my party, the 103 head of cattle for which I am receiving 8 cents a pound and which are to be shipped this week are not going to the United States but to Montreal.' They were not the quality of cattle which the people of the United States wanted from Canada and from which they had removed the duty. The United States seem to know pretty well what they want; they wanted cattle which they could use for almost any purpose. The people of Canada made one of their greatest mistakes in reducing their stock of all kinds for what I feel was nothing more nor less than a bait. And when the time came that the people of the United States felt that they had enough of this cattle imported not only from Canada but from the Argentine—because they had opened their markets to others besides ourselves—they immediately applied the tuberculine test. They did not need to apply their test to Canadian cattle, but they applied it for the same reason that they applied the test for diseased hogs when they felt that they had received enough of the Canadian product. When that was the position, they did what every Government should do—arrange so as to protect their own people first.

Last session I was surprised to hear a proposition laid down by the hon. member for South Wellington. That hon. gentleman and I are very good friends, and I have a great respect for him, for I feel that he is an able representative of one part of the county, a part of which I also represent. So, I am not saying anything in his absence that I would not say if he were present. Last session he spoke of the county of Wellington as being the greatest producing county in live stock. Of course it is a great producing county in live stock. He explained, and I believe he was conscientious about it, that in years gone by we had found in Buffalo a splendid market for our lambs, and that Buffalo was the natural market for lambs shipped from Wellington. On looking up the record of the markets of this country and the United States for the last three months, I find that many carloads of lambs had been shipped from Buffalo and other portions of the United States into Canada. And so the hon. gentleman's argument does not apply at this time. I find that the highest price paid for lambs in Buffalo on Saturday was $8.40, as compared with $9.85 paid in the city of Toronto. These are matters that affect directly the people of the county I represent, and such are the matters I deem it my duty to discuss.

I have been somewhat surprised that one of the members of the Opposition has not offered an amendment in the course of this debate. We have been waiting to hear what their views are, and hoping to have an opportunity to speak on their

amendment. I feel it is just possible that they are not agreeing among themselves possibly as well as they would like to. It has always been the policy of the Liberal party when in Opposition in this House to advocate free trade. I do not think that any Liberal member who has been in the House for any length of time will deny that. In 1891, when the present leader of the Opposition (Sir Wilfrid Laurier) was in opposition, before he came into power, he was calling for 'free trade as they have it in England,' and for unrestricted reciprocity; and the Liberal party had the orators of Canada and the United States going from one part of this province to the other advocating what they thought was right at that time. But at the same time I felt that the leader of the Opposition of that day did not have any faith in it. However, after the Liberal party came into power in 1896 they did not make any such changes in the tariff as they are advocating in this House at the present time. Even their reciprocity agreement did not go as far the present Minister of Finance has gone in the reduction of duties on farm implements. I feel sure that we as representatives of the eastern portion of the Dominion of Canada can go to our people without any sins to answer for, and tell them that the hon. Minister of Finance has made—if they feel that it is a benefit—greater reductions in the duty on farm implements than the reciprocity agreement would have given them had it been put into effect in 1911.

Although some hon. gentlemen opposite have come out pointedly and in a straightforward manner for free trade—and I give the hon. member for Red Deer (Mr. Clark), my namesake, and the hon. member for Westmorland (Mr. Emmerson) credit for doing so—I think that if hon. gentlemen desire to advocate free trade in agricultural implements and in wheat, they should be men enough to stand up in a body and advocate free trade. Then, if they go to the polls on a free trade platform and come back victorious, we will see what effect it will have upon this country.

We have heard a great deal about the tax upon foodstuffs, which hon. gentlemen have denounced as being a very great burden upon the people. I have felt it my duty to endeavour to get information upon which I could come to the conclusion as to the effect of the duties on foodstuffs upon the high cost of living in Canada. In this connection I found the following article in the press the other day:

Speaking in support of their policy of 'free food,' opposition members are making much of the argument that it would lift the 'burden of food taxation, under which the people are groaning.' The contention looks good upon the surface, and no doubt makes an attractive appeal, but it will scarcely stand the test of a careful examination. Meats, poultry, eggs, fish, dairy products, and bread-stuffs, are the commodities which go to make up the dinner table of the average Canadian. The amount of customs duty collected from the import of these, last year, should form the fairest possible index of the extent to which our food is taxed. According to the latest available information in the reports of the Customs Department, the amount of duty collected on meats and poultry brought into Canada in 1913, totalled $1,040,547. Divide this among the population of the Dominion and it will be found that this 'terrible taxation' of meat, amounted in a year to the sum of thirteen cents per head —the cost of half a pound of steak.

The duty collected from the importation of eggs for 1913, amounted to $327,123. Divide it among eight million persons, and it amounts to a fraction more than four cents per head, or to the retail cost at present, of two eggs.

On fish last year the amount of duty collected was $361,116. Divide it among the population of the country and there is disclosed the tax of four cents per head.

Duty collected on imported bread-stuffs last year totalled $261,409. Divide it among eight million persons, and the 'crushing burden' amount to a fraction more than three cents per head.

It will, therefore, be seen that the total amount of duty collected on meats, poultry, eggs, fish, dairy products, and breadstuffs for the whole of 1913 amounted to under thirty cents per head of population, a sum which does not seem to much warrant the assertion that we are 'groaning' under a 'terrible food tax.'

The question of the reduction of the cost of living is one which a great many people have tried to explain, but to my mind those who have endeavoured to explain it are nearly as far away from a conclusion as they ever have been. I think it would be a benefit to us or to any people to get as closely allied with the consuming centres as possible. The improved means of transportation that we have are beneficial as far as the cost of living is concerned. I think the hon. member for Brandon was on the right track the other night when he said he believed that if the waterways of the West were properly developed an impetus would be given to the milling industry that would make it more than ever a world competitor. What applies to the West certainly applies to the East as well. The members of this House will remember that a few weeks ago a delegation of 2,000 persons came here from the province of Ontario. The members of this delegation were interested in trying to exact from this Government subsidies for hydro-radial railways

to be built in the province of Ontario. I am not in a position to say what conclusion the Government of the day has come to in that regard, but, as a resident of the province of Ontario, I feel that we are not too well supplied with railways. It may be a surprise to some of the people who are clamouring for transportation in the West to know that there are people living in the thickly-populated portions of our riding who are fifteen or twenty miles from the nearest railway station. These people have been highly taxed; they will sooner or later undertake the construction of hydro-radial railways, and when these railways are constructed the people will be placed in communication with the great markets; the country will be built up under a policy of protection and the people will be induced to come back on the land.

There has been quite a decrease in the rural population of some of the western Ontario counties. Many of our people have gone out to our great West and we know and are delighted that they have prospered. But the people who are left here to till the soil in the old province of Ontario, those who came in in the earlier days a great many years ago, and had to endure many hardships are entitled to some consideration. I feel that if the Government, as I hope they will, see fit to give some help towards the construction of hydro-electric railways throughout that part of Ontario, and with or without aid these railways must come sooner or later, the farmers in the sections removed from the stations on the lines of the steam railways will be able to send their products in small quantities more rapidly into the splendid market centres in our manufacturing towns. They will then be in a better position than they are to-day even under the new tariff with the great reduction of 5 per cent on agricultural implements.

I shall not speak further to-night, as a further opportunity for discussion will be afforded during the debate on the amendment of the Opposition. I do wish to state, however, that I, as a humble follower of the present Administration, after making inquiry from the people in my county and in the surrounding counties, can assure the present Administration that they are giving what the people consider perfectly satisfactory government. I would like to compliment the Minister of Finance on the splendid Budget speech which he delivered, and at the same time to congratulate him on his restoration to health. I can assure him that the electors of North Wellington are satisfied that if he does not know exactly how to arrange the tariff in the interest of all the people in this country, he must have the credit of having made, as he has done in every Budget speech since the Government came into power, an enlightened guess as to what would suit the people throughout the Dominion of Canada. After what he has done in the present Budget, I, as one of the humble followers, will be pleased to go back to my constituency when the time comes and to pin my faith to the Minister of Finance, as to the other members of the Government and our leader (Mr. Borden) who has endeared himself to the whole Dominion of Canada.

[Mr. W. A. Clarke.]

On motion of Mr. Sinclair, the debate was adjourned.

On motion of Mr. Rogers, the House adjourned at 11.30 p.m.

Tuesday, April 21, 1914.

The House met at Three o'clock, the Speaker in the Chair.

THE BUDGET.

Consideration of the motion of Hon. W. T. White (Minister of Finance) for the House to go into Committee of Ways and Means, resumed from Monday, April 20.

Mr. J. H. SINCLAIR (Guysborough): Mr. Speaker, the function of an Opposition is to criticise, when criticism is merited. There seem to be no dearth of subjects for the present Opposition to criticise. We on this side of the House are very well aware that the Government are having their own difficulties; but we are also aware that they have brought those difficulties on themselves. Many of the difficulties that surround the Government at the present time arise from the last election campaign; they are what my hon. friend the Minister of Finance would call the hereditas damnosa arising out of that campaign. We regard the election of 1911, to use the language of the street, as not a square deal; it was a victory of prejudice over reason, and such victories always bring their consequences. The reckless spirit exhibited by the Minister of Trade and Commerce in that campaign illustrates the condition of the Conservative party. The hon. Minister of Trade and Commerce is regarded as the safest and sanest man among them, but even he fell a victim to temptation.

Mr. W. F. MACLEAN: That is a bad state of affairs.

Mr. SINCLAIR: The temptation came to the minister at the time of the Drummond-Arthabaska election in the shape of a revolt against the naval policy of the late Government, which was the naval policy of my hon. friend's own party and of which he himself was the foster-father. My hon. friend is a shrewd politician; he saw an opportunity to gain a political advantage and embraced it. He went back on his dream of a Canadian navy, built in Canada, manned by Canadians and controlled by the Canadian Parliament. He threw discretion to the winds and announced the slogan that was taken up later by his party all over Canada: 'Anything to beat Laurier.' Mr. Speaker, after that date it was—anything.

The opposition to reciprocity itself was not sincere. Everybody knows that the watchword was: 'No truck or trade with the Yankees.' What has happened since 1911? Have our friends opposite attempted to stop the trade with the United States? On the contrary, it never grew so rapidly as since this Government came to power in September, 1911. This expansion has continued until it now reaches the enormous volume of about $2,000,000 worth of trade a day. That is to say the transactions between the people of the United States and Canada since we met here yesterday at 3 o'clock in the afternoon have amounted by three o'clock this afternoon to the enormous sum of $2,000,000. I have no doubt the transactions are profitable to both parties, but the Government has not raised a finger to stop the enormous trade between Canada and the United States. They have the power to stop it if they wish to do so. The fact that they do not do so shows the hollowness of the campaign they conducted in 1911. If the enormous sale of Canadian cattle in the United States market since the adoption of the Underwood tariff is a bad thing, it could be stopped by the imposition of an export duty. If the sale by our western farmers of 20,000,000 bushels of oats in the American market at profitable prices is a bad thing, it could be stopped by the imposition of an export duty. If it is a bad thing to see the waters of the bay of Fundy and of the Atlantic coast of Nova Scotia white with the sails of ships carrying lumber, laths and shingles to the markets of New York and Boston, why do they not stop it, why do they not act on the principle they laid down in 1911? If it is a bad thing to see Yarmouth spring to the front as a fish exporting port since the introduction of the Underwood Tariff, if it is a bad thing for the fishermen of that part of Nova Scotia to receive twice as much for their catch as they received a year ago, why do they not impose an export duty and stop it? The inference is that they were not sincere in their cry of no truck or trade with the Yankees.

But, in addition to the flag-waving and the cry of 'No truck or trade with the Yankees,' there were special bogus cries in every province of Canada in the election of 1911. On the Pacific coast the cry was: 'A white British Columbia'; but I am told that the labour people of British Columbia have never been so yellow as since 1911, especially the coal miners of Nanaimo. A white British Columbia was an admirable election cry among the labour population. But, Mr. Speaker, while bogus telegrams and bogus policies may be useful at election times, they are no good when the party is in power. In the western provinces the cry was: 'The restoration of the natural resources to the provinces.' That has not been done, and I venture to say it will not be done. The almost insurmountable difficulties in the way of carrying out that pledge were well known to the Prime Minister and the leaders of the party at the time the pledge was given. In the province of Ontario the cry was: 'A uniform marriage law.' In the characteristic language of my hon. friend from West Peterborough (Mr. Burnham) the issue was: 'Are we married or are we not.?' A number of hon. gentlemen from that province won their seats, I am told, on that cry. Pledges were given by candidates on the hustings; the Tory press took up the cry; the Orange lodges passed resolutions; the clergymen thundered from the pulpits of Ottawa and asked the people to return R. L. Borden as Prime Minister in order to get a uniform marriage law. The people acted on this advice and voted for Mr. Borden. But, after the ballots of these devout people were safely in the ballot boxes, what do we see? We see the arms of the Postmaster General around the necks of these champions of religious liberty, and, under the influence of that embrace, my hon. friend from West Peterborough, the hon. member for Centre York

(Mr. Wallace), and the hon. member for Lincoln (Mr. Lancaster), and even the Minister of War himself, do not seem to care two cents whether they were married or not married. I am sorry my hon. friend from Centre York is not in his seat. Permit me to suggest to him that, instead of defying the Imperial Parliament and threatening to devastate Ireland with fire and sword, he turns his attention to this matter of a uniform marriage law. Let him pull off his coat and take a fall out of my hon. friend the Postmaster General, and if he throws him—as I believe he can—he will get more glory out of that than he will ever get by hanging on to the coat tails of Sir Edward Carson.

In the province of Quebec the issue was still more spectacular. There, the children were disembowelled in school houses and used for cannon balls. To quote the language of my hon. friend from Gloucester (Mr. O. Turgeon), it was a campaign of 'blood and bowels.' There was, however, one pledge common to all the Nationalists. Every one of them pledged themselves that if returned to power they would repeal the Naval Service Act. But the Naval Service Act still stands. My hon. friend from Dorchester (Mr. Sevigny) endeavoured to keep faith with his electors in that respect, and, after six months' hard work, he extracted a promise from the Minister of Naval Affairs that the Government would repeal the Act. He has not done so, however, and I venture to say he never will. My hon. friend from Montmagny (Mr. Lesperance), in the early days of the session started in to do the job himself. The Bill was introduced and got its first reading, but then it was carefully laid away in the graveyard where it now rests, and my hon. friend has gone on a pleasure trip to Europe. Whatever else we may say about the Nationalist party—and I do not wish to say anything unkind of them—they are nice fellows; at least, they must get credit for patience. They came to this House in 1911 some twenty alert and vigorous representatives—a score of fighting men, men with ideals. We on this side of the House did not agree with their ideals, but nevertheless they were ideals. Where are those ideals to-day? So far as we can judge, this score of fighting men have become as tame as a score of pet lambs. They seem to be perfectly satisfied to eat out of the hand of the Minister of Public Works, and to pick up the crumbs that fall from the table of the Postmaster General.

In the Maritime provinces we had a variety of issues in the election of 1911. One of them was the loss of the fishing bounty; second, a shipbuilding programme for Halifax; third, the dissolution of the British Empire; fourth, such a demand for pulpwood that there would be no spruce logs left to make apple barrels in the Annapolis valley; fifth, free medicine for the fishermen. These are only a few of them. The fishermen are now getting their medicine in the shape of a tax of 25 per cent on fishing twine. Some of them are finding it a little hard to swallow, and they are making faces over it. I do not sympathize much with the Tory fishermen who were foolish enough to vote against an open market for their fish. But is it any wonder, Mr. Speaker, that the Government is having its own difficulties with all these various and mongrel broods of chickens coming home to roost? Is it any wonder that the Minister of Finance looks anxious or that we see a few more wrinkles in the brow of the hon. Postmaster General? The Finance Minister admits that the country is passing through a period of more or less serious depression, but he offers no remedy. He goes on like Nero fiddling and borrowing more money, and trusting to luck to bring about better times.

In 1911 the cry was: 'let well enough alone.' You do not hear that cry to-day. Is there anybody saying, let well enough alone, to-day? After three years of Conservative rule the Minister of Finance assures us that the worst is over. Well, we knew it would be bad, but if the worst is over, it is a comfort to know it, but there are men in this country who feel that if this Government is to remain in power the worst is yet to come. In the period between 1896 and 1911 we did not need to make long speeches to one another to satisfy ourselves as to whether the country was prosperous or not. We knew it by the jingle of the coin in our pockets. It is a remarkable historical fact that times were hard when the Liberal party came into power in 1896. It is also a well known historical fact that the tide soon changed after their advent to power and that during the whole fifteen years that the country enjoyed Liberal rule we had a period of unexampled prosperity.

Mr. BURNHAM: What, in 1907?

Mr. SINCLAIR: Yes, including 1907. But no sooner were the reins of power taken over by the Conservative party than the wolf

was again at the door. The hon. Minister of Trade and Commerce (Mr. Foster) between 1896 and 1911, was constantly assuring us that the great prosperity that the country enjoyed was the work of Providence. We on this side of the House have never denied that fact. We have always been thankful for the assistance of a kind Providence, but the question remains why does not Providence help the Tory party. That is a practical question in theology that I would recommend the Minister of Trade and Commerce to tackle. What happened after the advent of the Liberal party to power in 1896? Did they attempt to do anything to bring about good times in the years that followed? You will not be surprised when I tell you, Mr. Speaker, because you know, that before twelve months had passed away after the Liberal party came into power in 1896, they had revised the tariff; they had introduced the British preference; they had reformed the western land laws and they had adopted a vigorous immigration policy. These were far-reaching reforms. In the revision of the tariff substantial reductions were made, raw material was made free, specific duties were abolished and the result was a much lower and a workable tariff that was beneficial both to the manufacturers and the consumers.

Hon. gentlemen opposite have said during this debate that the Fielding tariff is the same as the old National Policy. All I have to say is that Sir Charles Tupper was one of the men who constructed the National Policy, and he did not think so, because he said on the floor of this House at the time that the Fielding tariff would ruin the industries of the country. The right hon. Prime Minister (Mr. Borden) did not think so when he moved his resolution in favour of adequate protection. By the British preference one-third was struck from the burdens of the people at one blow. A substantial and almost immediate extension of trade followed with the result that a profitable market for Canadian products was found in Great Britain, Australia and South Africa as well, for the policy of the preference soon spread to the British dominions throughout the world. The vigorous immigration policy introduced by the Hon. Mr. Sifton awakened the West, population poured in, branch railways were constructed, millions of acres of land were brought into cultivation, resulting in an era of prosperity both in the East and the West such as Canada never saw before. This splendid result was achieved by reforms that were introduced during the first year of the Liberal rule.

What have the present Government done in their three years of power ? Admittedly, they have made a record in three particulars. First, they have attempted, I trust unsuccessfully, to ruin a great Canadian enterprise for party purposes; I refer, to the National Transcontinental Railway; second, they have spent vast sums of money, and, third, they have debauched the Civil Service. Anybody can hire an irresponsible busybody like Lynch-Staunton to spread false reports about a great enterprise. Anybody can spend money. You can go out on Bank street, and pick out the stupidest man you can find there, fill his pockets with money, and ten to one he will find some way to spend it. It does not take very much statesmanship to dismiss officials. Nobody knows that better than the Postmaster General. But the question arises: Could these hard times from which we are now suffering have been avoided, could this Government have done what the Liberal Government did in 1896, could they have brought about the good times if they had been capable statesmen ? I submit that, although hard times might not have been altogether avoided, our condition might have been greatly modified if we had had access for our natural products to the American markets three years ago. No one will deny that the profitable sale of $2,000,000 worth of cattle in the West during the past few months, or 20,000,000 bushels of oats, or the ready demand this spring for lumber, fish, and iron ore of the Maritime provinces in the United States have helped materially to tide us over the hard times of the past winter. But it is humiliating to remember that all these benefits that have come to us have come not from our own Government but from a foreign government.

We on this side of the House are very much struck with the spirit of despair that prevails on the Government side. Man after man arises in his seat and tells us that the Government is helpless to do anything to relieve the situation in which we are now placed. When the hon. member for Chateauguay (Mr. Morris) got on his feet the other night our hopes went up on this side of the House. We said: Here is a man fresh from the people, he will not have lost faith in the Government already, but we soon discovered that he was more despondent and hopeless than the others. You will find, Sir, that the lamentations of Jeremiah are cheerful compared with that

hon. gentleman's speech. Let me give you only one quotation from it:

> With regard to the high cost of living, I have only to say that I marvel at some of the arguments that have been adduced. I do not think that we have yet had any arguments advanced that prove to us that this or any other Government could solve that problem. In my opinion, they will simply have to do as the farmers did in my county; that is they will have to wait until the conditions change,—

Poor farmers!

> —for then only can a satisfactory solution be arrived at. It can not be done by this Government.

In other words, if you want cheaper food or a revival of prosperity, you must wait until it comes of its own accord, because it cannot be brought about by this Government. I decline to accept the doctrine that the Government can do nothing in a case of this kind. I have already pointed out what the late Government did in 1896, and I could give many examples. Let me tell you what the late Government did in the way of building up the fresh fish industry in the province of Nova Scotia. In 1896 we had practically no fresh fish industry in the Maritime provinces, the reason being that we did not have proper transportation facilities. There was a good market at Montreal, but it was supplied chiefly from Gloucester. It cost $2.50 a hundred pounds to send fresh fish from Nova Scotia to Montreal by express. It was impossible to send fresh fish by freight because that was too slow; your car might be placed on a siding and left there for a fortnight and the fish would be worthless. That was the system during eighteen years of Conservatives rule. In 1896, when the Hon. A. G. Blair took charge of the Department of Railways and Canals, one of the first things he did was to extend the Intercolonial railway to Montreal. He then equipped it with refrigerator cars and put on daily a fast freight train, something that had never before been heard of in Canada. This train would leave Mulgrave and Halifax at a certain hour in the afternoon, and join at Truro, and run on schedule time to Montreal, so that if you loaded a refrigerator car with fish at Mulgrave or Halifax, you knew that it would reach Montreal safely about forty-eight hours afterwards. The rate on carload lots per hundred pounds was reduced to thirty-eight cents, an enormous cut. This forced down express rates from $2.50 to $1.50, and the Government came forward and said: In order to promote the sale in small parcels by the small trader, we will give a rebate of one-third of these express rates. They did so, with the result that a new industry sprang into life that is putting millions into the pockets of the people of the Maritime provinces today.

What have the present Government done in regard to this fresh fish industry? No sooner were they safely in their seats than they began to exact a duty of 25 per cent on the fishing twine used by the fishermen. It would appear that they secured some expert tariff lawyer to go over the schedule in order to find what they could exact from the people. He discovered what they considered a blunder in the schedulue relating to rough lumber, and a tax was imposed, which, however, was escaped by an appeal to the court. The Government were more successful in the case of the fishermen; the 25 per cent duty on the fishing twine was levied and is still being exacted. They struck another blow at the fresh fish trade by increasing the freight rates on the Intercolonial, so that the merchant in New Glasgow, for example, has to pay $12 more per carload from Mulgrave than he paid during the Liberal regime. A few weeks ago I brought this matter to the attention of the House and moved the following resolution:

> That in the opinion of this House the question of improved means of transportation of fresh fish between the Maritime provinces and the United States receive the early attention of the Government.

I proposed the establishment of a line of fast boats that would carry our fish from the ports of eastern Nova Scotia to the American market. I pointed out that fish has been put on the free list in the United States, a boon for which we have been looking for forty years. If we had proper transportation facilities, we could take advantage of this and build up a splendid business. I pointed out that since the Underwood tariff has come into effect, we have the opportunity which we had not for forty years of exploiting the American market. I also pointed out that in the town of Yarmouth, which has transportation facilities, the price of fish has nearly doubled in the course of six months. The average price paid for fresh haddock and fresh cod in Yarmouth during the three months of November and December of 1912 and January of 1913 was $2.06 per cwt. The average price after the Underwood tariff came into effect, for the

months of November and December of 1913 and January of 1914, was $3.86, or nearly double what it was in the former year, due to the new United States tariff and to the fact that the people of Yarmouth are in touch with the Boston market. In Canso, in eastern Nova Scotia, on the same dates, our fishermen are selling their fish at about $1.50 per cwt.; while, as I have pointed out, the fishermen of Yarmouth are receiving $3.86. The Minister of Marine and Fisheries replied on behalf of the Government that, during the election of 1911, the fishing counties of Lunenburg and Queen-Shelburne had voted against reciprocity and that was put forward as the reason why the Government refused to do anything now to improve transportation facilities between eastern Nova Scotia and the American market. In other words, the fishermen of the counties of Halifax, Guysborough, Richmond, Cape Breton, Victoria and Inverness must remain poor for five years longer because some other fishermen in western Nova Scotia in a fit of hysteria voted for the Tory party. That is curious logic, but that is the answer we got from the Minister of Marine and Fisheries when we brought this important matter to his attention.

But if the Government have done nothing for the fishermen but hamper their business, they claim they have done something for the farmers. They have reduced the duty on two implements by 5 per cent. Harvesters are not used very much in Nova Scotia, I question if there are any harvesters in use in the county I have the honour to represent. Nearly all our small farmers, however, use mowers, on which there is a reduction of 5 per cent, and we must be thankful for small mercies. A mower is worth about $50, and 5 per cent of $50 is $2.50. As a careful farmer will use a mower for about ten years, if we spread that reduction of $2.50 over ten years, it will work out at 25 cents a year, or the price of about half a pound of the cheapest kind of tobacco. Although we get this concession, which is regarded by the Minister of Finance as a great concession, we must not forget that the farmers have still to pay a high duty on a large number of implements. Here is a list which I have taken from the present Canadian tariff:

Implements.	Rate of duty. Per cent.
Ploughs	20
Tooth harrows	20
Disc harrows	20
Planters	20
Horse rakes	20
Cultivators	20
Threshing machines	20
Hoes	22½
Shovels	32½
Pitchforks	22½
Hand rakes	22½
Scythes	22½
Axes	22½
Field rollers	20
Harness	30
Farm wagons	25
Farm sleighs	25

My hon. friend from North Wellington (Mr. Clarke), who preceded me in this debate, made the statement that the reciprocity agreement did not go so far in reducing the tariff on agricultural implements as the minister had gone in the present Budget. I do not think my hon. friend intended to misrepresent the facts, but I do not agree with him in that statement. On the contrary, apart from the question of wider markets, really the great question in reciprocity, and confining ourselves wholly to the question of duty on agricultural implements, we find that reciprocity went much farther than the present reductions made by the Minister of Finance. I have pointed out that the reduction now made is a reduction on two implements only, harvesters and mowers, from 17½ per cent to 12 per cent. Now, what reductions were made under reciprocity in regard to implements used by the Canadian farmers? Here is a list:

Implements.	Present Canadian Tariff.	Proposed Tariff under Reciprocity Agreement.
Farm wagons	25	22½
Ploughs	20	15
Harrows	20	15
Harvesters and reapers.	17½	15
Mowers	17½	15
Seed drills	20	15
Horse rakes	20	15
Threshing machine separators	20	15
Threshing machine parts.	20	15
Hay loaders	25	20
Potato diggers	25	20
Fodder cutters	25	20
Grain crushers	25	20
Fanning mills	25	20
Farm rollers	25	20
Hay tedders	25	20

The hon. member for North Wellington will see that he was mistaken. While it is true that harvesters and mowers have the advantage of a reduction 2½ per cent greater than that which was proposed under reciprocity, I have given a list of 13 very important implements, used practically on every farm, the duties on which were proposed to be reduced 5 per cent

under reciprocity, and are not reduced at all under the present tariff. This concession made by the Finance Minister, which I have described as being equal to the price of half a pound of the cheapest kind of tobacco, is regarded by some of the leading manufacturers as being too much to give to the farmers of Canada. I wish to read an extract from a newspaper article which gives a statement made in this regard by Mr. W. H. Rowley, president of the E. B. Eddy Company, and ex-president of the Canadian Manufacturers' Association. It is as follows:

> In the first place Mr. Rowley thinks the farmers have already got too much and are going to get still more under the revisions.
>
> In the second place, Mr. Rowley believes the changes will bear too heavily on the paper industry.

I understand that Mr. Rowley is interested in the paper industry. (Reading):

> 'The farmers get the best of everything. They always have and they are getting it in the present revisions,' said Mr. Rowley.
>
> 'I think,' he said, 'that the Government acted wisely in not adopting free wheat. It would have been a great mistake to have allowed our grain and fodder to go to a foreign country. Our wheat is better than theirs anyway, and we should keep it.'

There is logic for you. I understand that Mr. Rowley is the head of a large firm that manufactures lumber and sells it in the United States. If we were to apply his own words to the industry in which he is engaged, they would run this way:

> It would have been a great mistake to have allowed the lumber of Canada to go to a foreign country. Our lumber is better than theirs anyway, and we should keep it.

Do you suppose he would accept that kind of doctrine? I do not think he would. But the Finance Minister appears to be alarmed by reason of the policy announced on this side of the House of free agricultural implements. With great emphasis and with a majestic wave of his right arm, he tells the House that 'free implements means free trade,' and this remark was cheered very loudly by his supporters. The tone of his voice conveyed to me the idea that free trade would be a calamity. But if free trade is such a terrible evil, why does the Finance Minister make the 5 per cent reduction? If protection is better than free trade, why does he reduce the duties upon these implements by 5 per cent? I doubt not his statement was intended to frighten us, but it did not have that effect. Free implements means a great deal to the farmer, but it does not mean free trade. There are 711 items in the customs tariff; 203 of them are free, and 508 dutiable. If we place half a dozen or even a dozen additional agricultural implements upon the free list, does that mean free trade? There would still be 500 items dutiable, and the farmer would pay his full share of the taxation on those 500 items. If hon. gentlemen opposite hold that this is free trade, we do not so understand it on this side of the House.

We were also very much struck with the way the announcement of this reduction was received by hon. gentlemen on the other side of the House. The hon. member for Halifax (Mr. A. K. Maclean) pointed out that on this occasion hon. gentlemen opposite cheered more loudly than they did at any other time during the course of the Finance Minister's speech. If he had announced free agricultural implements, the roof of the building would have been in danger. What does that mean? It means that hon. gentlemen on the other side of the House have the same views that we have on this side, and that they would like to hear the minister announce free agricultural implements if the manufacturers would permit him to do so.

I want to refer for a moment to the question of fishing twine. I may say that some of us on this side of the House were disappointed when we observed that this article was not placed on the free list. I have not the slightest doubt that in the tariff of 1897 it was intended that fishing twine should be free. For fifteen years fishing twine was admitted free by the late Administration, but after 1911, as I have already said, some flaw was discovered in the item relating to cordage which enabled the Government to exact a duty of 25 per cent on the fishing twine which is used in the lobster fisheries. Orders were promptly issued by the Minister of Customs and this tax has been collected for the last three years. This matter was discussed in the House in 1912; it was discussed again in 1913, and in order that it might not be forgotten I brought it to the attention of the Minister of Customs in February of the present year. At that time he assured me it would be dealt with when the Budget was brought down, but in the Budget speech it was not mentioned at all. When I asked the Minister of Finance about it he did not give any particular reason, but said that there were some difficulties. I am afraid the chief difficulty is that the

Finance Minister cannot serve two masters. The fishermen are demanding free twine and the cordage combine in Dartmouth are demanding 25 per cent duty, and the minister has to take his choice.

Another matter to which I wish to refer for a moment is that of provincial subsidies which, I think, has not been referred to by any speakers during the course of this debate. There is a very general opinion that the subsidies at present paid to the provinces are altogether inadequate for the important services that they have to maintain. At the Interprovincial Conference held in this city in October, 1913, it was pointed out that in the year 1867 the provinces surrendered customs and excise duties to the central Government amounting to $11,580,988. They received in lieu of the same $2,227,942, in subsidies under the original Act—about 20 per cent of what they surrendered. They pointed out that in the year 1913 the customs and excise duties amounted to $135,312,943 and that the provinces received in cash subsidies only $10,281,042, or less than 10 per cent of the amount that was collected.

Now, they do not claim 20 per cent; they do not claim the same proportion as they had when they surrendered their excise and customs duties, but they do claim 10 per cent, which would give them about $3,000,000 more than at present. My principal reason for dealing with this matter is to point out to the Finance Minister (Mr. White) and to the Prime Minister (Mr. Borden)—who, I regret, is not in his place at present—the discrepancy in the case of the province of Nova Scotia. In order to do this more definitely I wish to place on 'Hansard' a table giving the population of each province according to the last census, the amount of subsidy to be paid to each province according to the estimates now under consideration and the amount payable per head of the population in each province. In this calculation I am leaving out the larger provinces of Ontario and Quebec:

Province.	Population.	Subsidy.	Amount per Head.
Nova Scotia ..	492,338	$ 636,666.86	$1.27
New Brunswick	351,889	637,976,16	1.81
Manitoba	455,614	1,401,391.36	3.14
Brit. Columbia..	392,480	723,135.06	1.84
Saskatchewan .	492,432	1,710,675.00	3.47
Alberta.	374,663	1,401,575.00	3.47
Prince Edward Island.	93,728	381,931.88	4.07

In addition to these cash subsidies, very large land concessions have been made to some of the provinces. Last session I got the following reply to a question I asked of the Minister of the Interior:

Question:
How many acres of public lands in the surveyed portions of the western provinces have been reserved for school lands?

Answer:

Manitoba..	1,300,495 acres.
Saskatchewan	3,706,589 "
Alberta	2,767,634 "

Valuing this land at an average of $8 per acre, which I do not think too high, we find that these additional educational grants represent the following amounts:

Manitoba..	$10,403,600
Saskatchewan	29,662,712
Alberta	22,141,072

I am not complaining about what is given to the West; that is not my object in bringing this matter to the attention of the House and the Finance Minister; I am speaking of the matter merely to show the importance of giving attention to the request of the provincial Premiers at their recent conference and to draw special attention to the case of Nova Scotia.

Now, I desire to say a word on the subject of expenditure. To begin with, let me say that the Canadian people are not narrow on this question of expenditure. The late Government had the cordial support of the people of Canada in the great national works they undertook between 1896 and 1911, such as the equipping of the Intercolonial railway, the extension of that road to Montreal, the deepening of the canals to fourteen feet, the deepening of the St. Lawrence channel to thirty feet and the construction of the National Transcontinental. The last, of course, was much the largest expenditure. But, Sir, the vision of another great transcontinental railway opening up vast new areas of land in central New Brunswick, in northern Quebec and northern Ontario and in the Peace River district of the West, and making it possible to carry to market the great and increasing volume of western traffic to the eastern seaboard, awakened the patriotism and fired the enthusiasm of the Canadian people, and by large majorities they registered their approval of that policy in the elections of 1904 and 1908. But no such enthusiasm attends the expenditure of the present Administration, but rather there is a feeling of alarm at the rapid growth of expenditure. In the manifesto which the Prime Minister issued to the people of Canada prior to the elec-

tions of 1911 he placed the ordinary controllable expenditure for that year at $74,000,000, and he described this as 'extravagance beyond any possible defence.' Yet what is it to-day? The Minister of Finance has placed the ordinary controllable expenditure for this year, if I understand his figures, at $146,786,126, or about double what it was three years ago when the Prime Minister issued that manifesto. Now, if the right hon. Prime Minister was sincere —as I have no doubt he was—when he said that an expenditure of $74,000,000 was extravagant beyond all reasonable defence, what must he think of his own administration when they double that

4 p.m. expenditure in the short space of less than three years.

Among the greatest sinners in this respect is my hon. friend the Minister of Militia (Mr. Hughes), whose drill-sheds are as thick as blackberries in the province of Ontario, to borrow a phrase from the Minister of Trade and Commerce (Mr. Foster). But the Minister of Public Works (Mr. Rogers) has outdone even the Minister of Militia in the increase of expenditure of his department. I must say that none of it has come to the constituency I have the honour to represent; so far as I know, he has not spent a single dollar there. But really the expenditures in the Public Works Department have become alarming. For the year 1911, the total Public Works expenditure was $10,818,834. But what do you think it is for the present current year? Without taking into account the Supplementary Estimates which are yet to come, the estimated Public Works expenditures this year amounts to $28,330,048.89, almost three times as much as when the present Government came into power about three years ago. Under the former Government the expenditure of three or four hundred thousand dollars on wharfs and breakwaters and other improvements in the Maritime provinces was the signal for a wild outcry from hon. gentlemen opposite. My hon. friend the Minister of Trade and Commerce demanded a revision of the geography in order that he might be able to locate the harbours that were being improved in Nova Scotia and the other Maritime provinces, and the hon. member for St. Antoine (Mr. Ames) went around in a schooner with his little camera photographing these places to make a lantern show of them for his audiences in Quebec and Ontario. Why does not he start out with his little lantern now to explain this $28,000,000 of expenditure? If he could show the workings of the mind of the Minister of Public Works, with regard to these expenditures when by-elections are coming off, it would make a very interesting moving picture.

The Finance Minister does not pretend to justify this extraordinary expenditure. I submit that he did not do so in the very able speech he made to the House. He probably agrees with his leader that it is extravagant beyond all possible justification. I do not want to detract anything from the glory that is coming to my hon. friend the Minister of Finance. He has received a great many bouquets from the members who have spoken on that side of the House, and I have no doubt that he deserves these compliments from their point of view. I have myself a great admiration for him in some ways, but I feel that he was started wrong; he fell heir to the splendid financial results that were brought about by the late Minister of Finance, Mr. Fielding. He started housekeeping less than three years ago with a surplus of $37,000,000 and he thought he would never reach the bottom of the chest; like the wild son of a reckless father he proceeded to dash away and spend the money, and now it is all gone and he has to borrow $20,000,000 to meet his liabilities for the current year. My hon. friend will be known in history as Canada's prodigal son. In some respects he is worse than the prodigal son, because the prodigal spent his own money and he was sorry for it. My hon. friend is spending the money which he held in trust for the Canadian people; he is spending it in subventions to my hon. friend the Minister of Public Works to enable him to win by-elections and in gifts to big corporations and in the riotous building of drill-sheds, and he shows no signs of repentance. Mr. Speaker, there are a great many questions to be dealt with yet by the people of Canada. Permit me to enumerate a few of them:

(1) Is protection to be permanent in this country? Are we always to submit to the monopolies arising out of a protective system or are we from time to time to take a step in the direction of freedom?

(2) Shall the first and most urgent step be to lessen the burden on the farmer and throw open a wider market for his products, with a view to settling our vast areas of

vacant land and developing our great national resources?

(3) Shall the National Transcontinental railway be completed according to the original plan or shall it be degraded into a second-class road and made an adjunct of the Canadian Pacific railway?

(4) Shall we solve the question of naval defence by contributing to the Imperial navy, or shall we undertake the task of gradually building up a navy of our own?

These are the questions that to-day divide the two great parties in this country; and we on this side have an abiding faith that we are on the right side of every one of them. There is only one way of settling these questions and that is by an appeal to the people of Canada. The next election will not be like the election of 1911. The methods used in that election can never be repeated. There will be no flag-waving next time, there will be no Ne Temere Decree next time, there will be no Farmers' bank next time, there will be no free medicine next time. The Government will have to face its record of bogus policies and of broken promises and justify its existence on the merits—and we on this side of the House will welcome the earliest opportunity to obtain a verdict of the electors on the record of the present Administration.

Mr. MICHAEL STEELE (South Perth): Mr. Speaker, I feel very diffident indeed in rising to address the House after the speech of the hon. gentleman from Guysborough. The hon. gentleman to-day appeared in rather a new role, that of a humourist; and when he started I began to wonder if at last we were going to have the policy of the Opposition and their amendment to the Budget. I almost convinced myself it was coming, because I could see on the face of the hon. member for South Renfrew (Mr. Graham) a look of entire satisfaction. I could imagine that at last, after two or three weeks' delay, the hon. member for South Renfrew, representing an Ontario constituency, had convinced his followers to adopt the policy which he frequently gives this House. It would be: We have not any amendment, boys; we have not any policy to offer, but we will jolly them along a little longer.

Mr. GRAHAM: It is coming all right.

Mr. STEELE: The hon. member for Guysborough, in very sad tones indeed, spoke of the wolf being at the door since the change of Government; another evidence to my mind of the truth which at least some of the Canadian people believe, that our friends of the Opposition are always hungry when they are in opposition.

I am pleased to be able to say a word in this Budget debate, especially on account of the excellent Budget which the Minister of Finance was able to present to this House. It is not necessary to laud that, because the people of Canada from one end to the other recognize it as a wise and altogether satisfactory Budget. We had the remark, I think from the hon. member for Guysborough, that Canada has made a record in three particulars during the term of office of the present Government. I would like to remind him that the Government has made records in more particulars than that. I shall enumerate some points on which they have made records. During the last two years, while this Government has been in power, the total trade of Canada increased by $275,000,000, the largest increase on record. Our trade with Great Britain during that time has increased $80,000,000, another record. The consolidated revenue increased $27,000,000, the largest increase on record in any two years.

Mr. LEMIEUX: What about the United States ?

Mr. STEELE: Oh, I am such a Canadian that I must talk about Canada, not about the United States. I do wish our friends on the other side of the House would get their eyes off the United States and just settle them on Canada. The surpluses during the two years amounted to $93,000,000, the largest on record. The post office revenue increased by $1,559,334 last year, the largest increase on record. The net debt decreased during the two years by $6,000,000, the largest decrease on record. So when the hon. member for Guysborough starts out to give records that this Government has made, I would ask him, in future, to include those which I have mentioned. We all acknowledge that Canada has been most prosperous for many years. We on this side of the House do not attempt to deny that Canada enjoyed great prosperity during the regime of hon. gentlemen opposite; but that prosperity did not terminate with the change of Government. Let me give a few figures to show how Canada's trade during the last year compares with the trade of other countries. In 1912-13 the trade of Germany increased by 8 per cent; Great Britain by 5 per cent; Australia by 1 per cent; Argentina by 4½

per cent; South Africa by 6 per cent; France by 2½ per cent; the United States by 11 per cent—I am sure the hon. member for Rouville (Mr. Lemieux) will be pleased at that—and the trade of Canada by 12 per cent. Let us look at the trade for the last five years, as last year was an exceptional year. From 1908 to 1913 the total trade of Germany increased by 47½ per cent; the United States by 40 per cent; France by 44 per cent; Australia by 39 per cent; Great Britain by 3½ per cent; and the total trade of Canada by 98 per cent.

It is quite natural that we should inquire what is the cause of the prosperity which Canada is enjoying to-day. This marvellous, and, when comparisons are made with other countries, this exceptional prosperity, is in my opinion undoubtedly due to the fact that for the last thirty-five years we have been under the beneficent influence of the National Policy, the great fruits of which are more and more in evidence as the years go by. As the authors of that policy, the Conservative party retained office for eighteen years. The Liberal party succeeding them remained in office fifteen years—I do not hesitate to say this—because they adhered to that policy, and it was only in 1911, when they attempted to lay ruthless hands on the National Policy, that the people of Canada determined that they should no longer administer the affairs of this country. Under the National Policy factories have sprung up in great numbers, industry has been quickened, the natural resources of our land have been developed, and the labourer and artisan have been provided with abundant and constant employment at remunerative wages. In Canada to-day we have over 20,000 factories employing 500,000 hands, and paying in wages $250,000,000. These factories utilize $601,500,000 worth of raw material; the value added to this raw material in the process of manufacture is $564,500,000, thus producing a product of the value of $1,166,000,000. With 8,000,000 people, Canada is manufacturing more to-day than the United States did in 1850 with 23,000,000 people. From this general statement we see the great benefit the manufacturers of Canada have derived from the National Policy. How has it affected the farmers of this country? The farmers have prospered very greatly on account of the National Policy. We might inquire further what this Government has done for the farmer. We all are quite ready to admit that sufficient attention has not been paid to the farming industry in the past. I do not wish too severely to criticise the previous Administration, but I think I am correct in saying that at no time in the past has Parliament devoted that attention to agriculture that its magnitude and importance warrants. Without saying that the present Government is doing all that should be done, it cannot be disputed that the present Administration is giving largely of its thought and energy to improving the conditions of our agricultural classes. The present minister has won the approval of every farmer in the country for the substantial financial assistance which he is giving them, and especially in connection with the Agricultural Instruction Act, and I doubt not that the benefits accomplished will generously compensate for the expenditure. The expenditure of the Agricultural Department in 1910-11 was $1,200,246, and in 1913-14, $3,358,728, practically three times as much.

We are sometimes told that the taxation of this country is very great, and the statement is made that Canadians are taxed more highly than any other people in the world. Without entering into a discussion as to whether that is so or not, I wish to point out that the great bulk of Canadian taxes goes into the development of our own country. We are a young country of enormous resources and area. Our needs are great, and, like any large business or industry just starting out, we as a country find it necessary to make very large expenditures in order that we may be up with our neighbours and the great nations of the world. I wish to draw attention to one fact in connection with the taxation of this country which to me is very pleasing. In the United States 65 cents of every dollar of taxation is spent on the army, navy and pensions—on war, or that which pertains to war. In Great Britain 34 cents of every dollar of taxation is spent for similar purposes; in Germany, 43 cents; in France, 31 cents; in Japan, 32 cents, but in Canada only 9 cents of every dollar of taxation is used for those purposes. We will not be able to thank our friends opposite for this condition in the future, because we know that by their naval policy, which they placed before the country last year, this young country would have been saddled with an immense naval expenditure, which would very largely increase the percentage

of our taxation spent for war purposes. With an expenditure under their naval policy of $140,000,000 to start with, and an additional expenditure of $15,000,000 per year up, we can readily see that it would have been only a few years before our naval expenditure would have added a very great burden to the people of this country.

Two or three questions of more or less interest to the country are being discussed in this debate. One of these is the duty on agricultural implements. I was rather interested in hearing the calculation of the hon. member for Guysborough (Mr. Sinclair) as to how much his people would save under the present reduction in the duty on agricultural implements. By a reduction of five per cent he calculated that a farmer in his constituency would be saving twenty-five cents a year on a mower —the price of a plug of tobacco. Somewhat quickly I followed his mathematical calculation a little farther with the result that I ascertained that if the duty had been wiped out altogether that man would have saved three and one-half plugs of tobacco. So that the argument of the hon. member for Guysborough, which is probably shared by some of his friends opposite, is that if a man can only save one plug of tobacco the policy is no good, but if he can save two and one-half plugs more it is an excellent policy.

We know the history of the reduction of duties on agricultural implements. We know that the Conservative party cut the duty from thirty-five per cent to twenty per cent, that the Liberal party cut it from twenty per cent to seventeen and one-half per cent during their term of office and that the Conservative party now propose cutting it from seventeen and one-half to twelve and one-half per cent. We, therefore, see that the chief reduction in the duty of agricultural implements has been made by the party at present in power. In fact, if we look into the matter we find that it is only when hon. gentlemen are in opposition that they are in favour of cutting the duty on agricultural implements. When they were in power no effort was made to reduce the duties; in fact, when they were in power, the statement was made that they had no intention of reducing the duties on agricultural implements. To substantiate this I wish to quote from 'Hansard' of March 21, 1911, page 5742 where there is recorded the report of a speech delivered at Woodstock by my hon. friend and neighbour from North Oxford (Mr. Nesbitt). This account is taken from the Toronto Globe, in which the hon. gentleman is reported as follows:

> He could not see that the manufacturers would be touched very much, as few articles manufactured in Canada were affected. He was sure the Bain and Woodstock wagon companies would compete in the world's markets even with 2½ per cent reduction in the tariff. He thought the manufacturers opposed reciprocity because of what might follow, the 'thin end of the wedge', but he had been assured by Sir Wilfrid Laurier and Mr. Fielding that nothing of the sort would follow. They had gone as far in the farmers' interests as they would.

This was the statement made by the hon. member for North Oxford in addressing a meeting at Woodstock during the discussion on reciprocity. In order that there might be no mistake made as to the authority with which he spoke, the matter was brought up in the House at that time and a question was asked the then leader of the Government as to whether the hon. member for North Oxford spoke authoritatively when he made that statement. Sir Wilfrid Laurier replied:

> **The statement** made by the hon. member for North Oxford (Mr. Nesbitt) was quite consistent with our policy, it was nothing new, and he had perfect authority, not only he, but every member of the Liberal side, to make that statement.
>
> Mr. Foster: Did the Prime Minister and the Minister of Finance authorize the member in question to make that statement?
>
> Sir Wilfrid Laurier: I have answered that already. It is perfectly true. The hon. member for North Oxford and every Liberal member had such authority, he was not kept in ignorance of our policy in this matter and knew it well. He only stated what is our general policy.

When our friends were in Opposition in 1911 they made the statement, and it was their avowed policy, that they would make no further reduction on agricultural implements except the 2½ per cent and the percentages which were provided for under reciprocity. But when they got into opposition they clamour for the wiping out of the duties altogether, and they say: We will not be satisfied with a reduction of 5 per cent, but we must wipe out the duties and have free trade in agricultural implements. It is always very easy indeed to advocate a policy when you are not responsible for carrying it out. That is the position in which hon. gentlemen opposite are placed to-day; they can advocate a policy that they are unable to put into force, but when the responsibility is placed upon them and they are in a position to give the country that policy which they have

advocated they are unwilling to do so. For that reason I think the farmers of this country who are in favour of a reduction or the wiping out of the tariff on agricultural implements would do well to keep the Liberal party in opposition continuously, because in that way they will always have one party in this House who will advocate the complete wiping out of the duty on agricultural implements.

We are told that this reduction of 5 per cent is of no value to the farmers. I would like to ask: If 5 per cent is of no value to the farmer, what percentage will be of value? How much of a reduction must be made before the farmer will begin to profit. We are anxious to know what the position of the Ontario Liberal members is on this question. We know that the manufacture of agricultural implements is a very important industry in Ontario, and we would be very glad to know and to hear from the Ontario Liberal members just what their stand on this question is now.

We had some days ago a reference by the hon. member for Assiniboia (Mr. Turriff) to Sir Lyman Melvin-Jones, general manager of the Massey-Harris Manufacturing Company. I have no brief at all to defend Sir Lyman Melvin-Jones, and I have no intention of doing so, but I want to draw the attention of the House to the remark which the hon. member for Assiniboia then made regarding him. He said, 'Hansard,' page 2619:

> It seems to me that if there was any man in Canada who had good reason to stand by his party it was Senator Jones, the president of the Massey-Harris Company. When, years ago, this party was on the other side of the House and made some reductions in the duties on agricultural implements, a drawback was given on the duty paid on the material that went into their manufacture, and I am told that, according to the Auditor General's Report, last year the Massey-Harris Company drew $165,000 in drawbacks. But because the Liberal party came to the conclusion that the time had come when free implements should be given to the farmers, this man, who had got every consideration, who was made a senator and who was knighted, who had 'Sir' put before his name by the kindly offices of this party—I do not know whether the leader of the Opposition at that time put the hyphen in his name or whether that was put in by himself—at all events he is the last man who could say that he was not well treated by this party.

These were the remarks made by the hon. member for Assiniboia regarding Sir Lyman Melvin Jones and it occurred to me as he made them: why should he show such temper over the fact that Sir Lyman Melvin-Jones has left their party? Evidently Sir Lyman Melvin-Jones received a great many favours from that party when in power. Why did he receive them? Evidently because he belonged to the party because as soon as he left the party he was criticised adversely. Is it the policy of the Opposition to grant favours to those who support them, but to have nothing to offer but adverse criticism of those who oppose them? Does that account, to some extent, for their favouring a duty on agricultural implements as long as they were in power and as long as Sir Lyman Melvin-Jones was supporting them? The hon. member would almost lead us to believe that Sir Lyman Melvin-Jones had been bought. Instead of being bought, he was very badly sold by his friends of the Opposition.

We come to another question of interest, that of free wheat. It is unnecessary for me, as a representative of an Ontario constituency, to say that we are very proud indeed of our western wheat fields. So far as the people of Ontario are concerned, there may be some envy but there is no jealousy nor hard feelings against the western farmers. We are proud of what they have accomplished in developing the great resources of the West. We feel, however, that this question of free wheat affects not only the western people but all the people of Canada. The world's crop of wheat is gradually increasing. Between 1880 and 1910 the increase in acreage planted in wheat amounted to 68 per cent, while the yield increased by 67 per cent. The population of the wheat growing countries in that time increased by only 29 per cent, so that the quantity of wheat available, per capita increased between 1880 and 1910 from 170 pounds to 223 pounds, thus showing that the production of wheat is increasing more rapidly than the population of consumers is increasing. This does not prove that we are producing more wheat than the world requires; but it shows that the production of wheat is becoming more and more a question involving difficulties for the producer and this is a situation which must be taken into consideration. The total production of wheat in the world in 1913 was 3,603,360,000 bushels, or 250,000,000 bushels more than in 1912, which up to that time was the record crop. Fortunately, however, all countries are not producing more wheat than they require, and there are countries which import large quantities of

wheat. We have European countries importing in all 533,000,000 bushels, and other countries importing 92,000,000 bushels a year, or a total of 625,000,000 bushels of wheat a year. These are the countries to which the Canadian wheat-grower should look for his market. The United States have a market in some of these importing countries, because during the last year they exported 143,000,000 bushels of wheat and flour. Therefore, if the Canadian wheat-grower had access to the United States market it would simply be by using the United States as a middleman, who would receive that wheat and forward it on to the ultimate market in Europe. As has been stated by some hon. gentlemen opposite, the United States miller now imports Canadian wheat, grinds it into flour and exports the product without paying very much duty, only one-tenth of one per cent, on the wheat, so that for all practical purposes the Canadian wheat has now free access to the United States market.

Some further statements were made the other evening by the hon. member for Assiniboia (Mr. Turriff), to which I wish to refer. In discribing the different grades of wheat, he made the following statement:

It will also be seen that there is a difference of 3 lbs. to the bushel between No. 1 Manitoba Northern and No. 1 Minneapolis Northern.

I do not doubt at all that the hon. member was quite sincere when he made that statement. But there is one very important fact which he ignored in making it: he forgot or ignored the fact that in the two countries different measures are used; that in the United States they use the Winchester measure, while in Canada we use the Imperial measure; and an Imperial bushel of wheat weighs 1½ lbs. more than a bushel of the Winchester measure. So, instead of there being a difference of 3 lbs. between the two grades there is only a difference of 1½ lbs. I think it well to draw the attention of the House to that fact, because, in discussing that question, which after all is a serious question and not a light matter which can be dealt with offhand, it is well to have the facts placed correctly before the people.

We are told that the Canadian farmer will receive more for his wheat in the United States; and that, perhaps, is the important phase of the whole question. Is that a fact? I argue that after removal of the United States duty the price will not be higher to the Canadian farmer. If the American Government had been satisfied that the Canadian farmer would receive more for his wheat, why did they insist on retaining that 10 cents per bushel of duty? If they were not afraid of the Canadian wheat coming in at the same price or lower than the American farmer was receiving, I judge they would not be so insistent on retaining the duty. I am free to admit that prices as between the two countries will vary from time to time; we have had evidence of that in the last few years. In the fall of 1911, with a small estimated crop of 621,000,000 bushels the American market was amply sufficient to meet the domestic needs, and the price prevailing ruled higher than the Canadian price. But when the reciprocity campaign came on with some prospect of being carried, and with the fear of the admission of Canadian wheat free of duty, the price on the Minneapolis market dropped almost to the Winnipeg price. As soon, however, as reciprocity was defeated the price revived. Then came the large crop of 1912, with the fall in price, and in the fall of that year Ontario millers could buy American wheat in Duluth, pay twelve cents per bushel duty and lay it down in the lake ports of Ontario cheaper than they could buy western wheat. In fact they did so, and large quantities of American wheat were imported at that time after paying the duty. In 1913, although the spring wheat crop was 90,000,000 bushels larger than that of 1912, the Canadian prices were very little higher. But let us look forward. Suppose the United States were to have a very large crop, what would happen? And that is just the condition we are up against to-day, for the prospect is that the United States wheat crop of the present year will be by far the largest on record. The estimate made of the crop of winter wheat is 671,000,000 bushels. Allow for some deterioration of the crop between now and the time it is reaped and assume that they have only 600,000,000 bushels. Assume that they gather also the average crop of spring wheat, viz., 300,000,000 bushels. This will make a crop of wheat in the United States of 900,000,000 bushels, by far the largest crop that country has ever produced. That country consumes only 504,000,000 bushels, so this will leave a surplus of 400,000,000 bushels in the fall of 1914. What do our farmers think of the prospect of throwing open our markets to the admission of the American wheat free of duty when that country has so large a surplus? It seems to me this is a ques

tion which they should consider very seriously before asking that that be done. Whatever may be the conditions in years when there is a small crop in the United States, this is not the year when they should ask that the barriers be taken down and our market be thrown open freely to the American wheat growers. Of course, we admit without hesitation that the Canadian farmer is entitled to the best market obtainable; but we think he should take other things into consideration. Suppose he is right in his contention that wheat sells at a few cents a bushel more in the United States than in Canada, will this compensate him for such losses as his inability to feed his live stock? Ontario farmers have had similar experience, and they are in a position to say what is likely to happen under similar circumstances. We must remember also—and I am surprised to see that advocates of free wheat in the West do not think of this—that a very large proportion of the area of the western provinces is not adapted to the growth of wheat and that, if they cannot grow wheat, the farmers of these districts will be compelled of necessity or will be led by choice to go into the live stock business and mixed farming. Now, what will northern Manitoba, northern Saskatchewan, and practically two-thirds of Alberta do in the matter of free wheat? They are not concerned in that, but they are anxious that they shall receive all the assistance which it is possible for them to receive in the development of the live stock industry and mixed farming. I think that the wheat growers of the western provinces should give consideration to their fellow-farmers who are located in districts which are not adapted to the growth of wheat.

Then, we know, the United States may change their policy. Suppose the duty is removed, there is nothing which makes it obligatory for the United States to continue the policy of free wheat. We have no guarantee of the permanency of that policy. So, when new trade routes and new connections are established, if the United States should reimpose the duty, we should be under the necessity of re-establishing the old routes and the old connections—we shall destroy only to rebuild again. If the United States were getting the worst of the bargain they would not hesitate to restore the duty, and if they were getting the better of the deal, what use would it be to Canada? The marketing of our wheat would be under the control of United States politicians, for they would have the regulating of the tariff and we know the danger that lies in that fact.

Now, we have, as I have said, a very great consideration for the farmer. It is the desire, I am sure, of all parties in this House and in this country to benefit the Canadian farmer. But I wish to point out for a few moments some of the differences between the policies which are advocated by our friends in the Opposition and those which are advocated by the Government. The Liberal party comes forward to-day with a policy for the Canadian farmer which says: We are in favour of admitting all foodstuffs free into Canada, we are in favour of admitting wheat free into Canada. Now, I wish to look at this largely from an Ontario farmer's point of view. When I allow my mind to go back to the early days of my life—and western Ontario was not very old at that time—I recollect very distinctly some of the pioneer farmers of the district in which I lived. These men came in from the old land, after, in many cases, a dangerous and tempestuous voyage across the Atlantic lasting from six to fifteen weeks. They came without funds; they came without knowledge of the country; they came without any adaption to the needs of the country. They received no free homesteads; they had no wealthy sister provinces to supply the means for building railways and opening the country; they had no banks to provide them with financial aid, even at a high rate of interest. They were not able to reap a crop the second season, but they had first to remove the dense forest, then clear the land and then cultivate it. While undergoing these hardships of pioneer life, they were developing a type of citizenship unequalled in any part of this broad land for industry, unselfishness, independence, self-reliance and high national ideals. These men were the peers of any farmers on this continent in their methods and in their success. They were the men who have given up their sons and daughters in such numbers to the West, there to repeat in greatly modified form the pioneering of their ancestors, to be the leaders of thought and influence, to retain for this land the love of empire and King, and to act as an offset to those who, though living under British institutions, have not the respect for law and order such as we know it in this Dominion, and such as we desire to uphold. These sons of Ontario in the West, I believe, are invariably

found to be the leaders in supporting school and church, in retaining the high ideals of their worthy ancestors, and in guiding the politics of the prairie provinces. How can any one say, with this knowledge, that the East has no sympathy with the West? Our brothers and sisters, our sons and our daughters, are distributed over the prairies in great numbers, and their interests are our interests, their prosperity is our pleasure, and their happiness our joy. We do not doubt that the future will be just what they themselves make it. I believe that the true destiny of that portion of Canada can only be attained by developing in the mixed population reverence for God and right, a burning desire to be partners in building up a great Canada, and a respect, if not a love, for British institutions as represented in our Parliament and King; by commercially adhering to the policy under which Canada has so far prospered and by politically remaining an influential portion of the mighty British Empire. This, I believe, is the destiny of that great land.

But that is not the question that is under discussion in this House at the present time; it is rather the commercial policy which is adapted to that portion of our Dominion. As I say, I wish to look at the matter from the Ontario viewpoint. I would like to remind our friends of the West on both sides of the House that Ontario is somewhat of an agricultural province—although that fact is sometimes forgotten. I wish to give some statistics as to the production of Ontario farms. In 1911 the value of the field crops produced in Ontario was $180,000,000; the value of the horses, $103,000,000; the value of the cattle, including milch cows, $84,000,000; the value of the sheep and lambs, $6,250,000; the value of the swine, $14,500,000; the value of the poultry, $6,000,000; a total value of livestock of $215,000,000. The agricultural land of the province is valued at $724,000,000; buildings thereon, $318,000,000; and implements, $85,000,000, a total value of $1,342,409,000. This, I think, stamps Ontario as something of an agricultural province. In the early days of the province the farmers raised wheat, and they made considerable money out of it, but the prosperity of the Ontario farmer dates only from the time when he went into mixed farming, and when he developed the dairying and livestock industries. Had the people been carried away by a policy given them for the moment, they never would have been live-stock producers and they would never have been dairy producers. The time is within my recollection when the farmers of Ontario went through hardships, went through trials and commercial depression in the early days such as the western farmers have never yet known and which, I trust, they never will know. I remember quite well the time when the Ontario farmer was selling his cheese at 7 cents per pound and his beef cattle at 3 cents per pound. What did the Ontario farmer do? Did he go to the Government to seek aid? No; he immediately set his brains and his ingenuity to work to devise other means of making the farm pay. He did devise other means, and he is making the farm pay to-day.

If we have free wheat, generally speaking, I think it will hit the live-stock industry of Ontario very hard. This industry is an important one. In 1911 there were sold and killed on Ontario farms $80,675,000 worth of livestock. Free wheat also hits the dairy in-

5 p.m. dustry, which is also an important one. In 1913 we produced $121,000,000 worth of dairy products, $100,000,000 worth of which was consumed in Canada. It is apparent, therefore, that we consume in Canada a very large proportion of the dairy products which the farmers of Ontario are producing. By intelligent attention to the dairy industry the farmer of Ontario from 1900 to 1910 increased the yield of milk per cow from 2,850 pounds to 3,805 pounds, and the value of the product of his cow from $27 to $42. The Ontario farmer needs the offal of the Canadian wheat for the feeding of his live-stock and his milch cows. Without that offal it would be almost impossible for him to produce his live-stock in such a way as to make it pay. Free wheat will hit such a blow at the dairy industry that it will be almost impossible for those engaged in that work to make the remunerative prices that they are making to-day. Not only that, but the farmer depends on his dairying for the feeding of his hogs—and the hog industry is a very important one—and if the offal is taken away from him he is deprived of one of the chief feeds which his hogs require. The Ontario farmer, therefore, is hit on all sides by the policy of free wheat which our Opposition friends are advocating to-day.

Let us look for a moment at the high cost of living. It is against the rules of Parliament, I understand, for any woman to raise her voice in this House, and although we do not give the women votes and a voice in Parliament, there can be no objection to my reading to the House the views of a woman expressed in a letter dated February 20, 1914, and published in the Toronto Globe of February 24. This letter was written by the wife of a farmer of the county of Oxford. I regret that the hon. member for North Oxford (Mr. Nesbitt) is not in his seat to hear what this sensible and intelligent farmer's wife in his constituency wrote to the Globe on the high cost of living. The letter, which is headed 'The Farmer Catches On,' is as follows:

To the editor of the Globe: I was interested in the article in Wednesday's Globe entitled, 'Blames the consumer—defends the middleman', to which might have been added: 'Blames the farmer'.

The fundamental cause of the high cost of living, the article stated, was an underproduction of the primary farm products. That's right, but why should the farmer overproduce, greatly adding to his labour and at the same time reducing the price of what he has to sell?

The farmer was regarded, the article goes on to say, as a hard, narrow, mean, prejudiced man, or as a hard working man who was oppressed by privileged classes and who was deprived of a fair return for his toil. Right you are! He was. But that time is passing. Our farmer is going to change all that. How? Well, by, as the article advises, but not because of that advice, he is getting out and striving to improve his position in response to the pressure from without.

A few of the ways in which he is improving his position, having an easier time and adding to his balance at the bank, which balance by the way, he reserves the right of spending later on in the way which best suits himself and family, and not according to the notions of prejudiced and interested parties, a few of the ways are as follows:

He makes fifty pounds of butter where fifteen years ago he made one hundred. It was more than twice as much work to make the one hundred pounds and twice the expense. If he was lucky and the butter first-class he got fifteen cents per pound. Now he gets thirty or thirty-five cents. Fifteen years ago, if he took the trouble to fat up his chickens, say for a flock of one hundred, he would average perhaps twenty cents each or a total of twenty dollars. Now a flock of half that number costing half the food, housing and care, would bring thirty dollars or upwards. Fresh eggs the same, the fewer he produces the less work and expense, and the more money. In short, the farmer is 'on'. Fifteen years ago he gave away what buttermilk he did not need for home consumption. Anybody was welcome to a quart of buttermilk. Now he sells it for five cents a quart, and cannot supply the demand. The little Dutch cheese made from sour milk many farmers' wives were ashamed to let company see on the table. Now this cheese is a luxury which the city people buy at five and ten cents each and which are almost wholly profit to the farmer. The farmer has quit giving something for nothing, just as the merchants and the middlemen have long since done. The farmer has been the last to 'catch on', but he is in a position to apply the whip, and I am thinking some one will feel the lash pretty sharply in the near future.

Don't worry about the comforts in his home. They are increasing every year. If he prefers to settle in the nearest village, town or city, whose business is it, and if he is considered a nuisance by those who no longer have a chance to 'do' him, he is not 'a nuisance to himself'. Oh,no, not at all. No indeed.

Tired and Retired Farmer's wife.
Woodstock, February, 20.

If the member for North Oxford were in his seat, I would like to warn him that when the farmers' wives of any man's riding begin to take an interest in politics, it is time for the representative to look out; something unexpected is liable to happen.

What are the causes of the high cost of living? There is no need of discussing that question. To put it shortly, it is because people wish to live high. The standard of living of twenty years ago is not good enough for the people of to-day. The waste from an ordinary man's table to-day would supply an excellent meal to the same family twenty-five years ago. But it is not sufficient that Parliament should pass by this question with that simple consideration. It is necessary that Parliament should consider the question, and if there is a remedy apply it. The Liberal party has thought of a remedy. That remedy is free food. I consider this a quack remedy because it does not meet the needs of the case. It is a momentary remedy, and as a physician I should say we have no confidence in a remedy which is applied only for the moment. It is necessary for a remedy to be applied long enough to take effect, and it cannot take effect unless it is applied persistently and used continually. In considering this question of free food, I think we can make the statement that the farmer is either getting too much for his produce or he is not. If he is getting too much for his produce, the remedy of free food is not the remedy to apply. This remedy of free food is one for too high prices for the farmers. It opens competition from the United States and all the favoured nations; and we remember that during the reciprocity campaign the right hon. leader of the Opposition stated that it was not his desire or his intention that the Canadian

farmer should have to compete with the farmers of the many favoured nations. Evidently he thought at that time that it would not be in the interest of the Canadian farmer that he should have that competition; but to-day he throws aside that consideration and says to the Canadian farmer: You will have to compete not only with the food-stuffs of the United States, but also with the food-stuffs of all the favoured nations.

What effect on the prices of food would free food have? What are the facts? What foods are too high to-day? For what foods are we paying much higher prices than we did fifteen or twenty years ago? Is it not a fact that practically the only foods on which we are paying more are animal foods—meat, poultry, eggs, butter, cheese, etc. These are the products of the live-stock industry of Canada; and therefore if these prices are too high, the policy of free food would be a blow at the live-stock industry of Canada. We sometimes say that there is no cheap food to-day. That is true, and it is not true. It is true in one sense and not in another sense. We know that for many years Canada and the United States both were exporting large quantities of meat and cattle to Great Britain. Of recent years that trade has almost vanished. In 1913 the United States exported of cattle only 10,093 and Canada 1,755. From where are the British people receiving their meat if not from Canada and the United States? Here are some figures which will indicate where Great Britain obtains her meat. Of chilled beef, Great Britain imported last year 5,256,021 cwt. Of that quantity the Argentine Republic supplied 5,248,000 cwt. Five years previous to that Argentina supplied only 1,267,400 cwt. There is the secret of whence Great Britain is receiving her food; she is receiving it from Argentina and allowing it to supplant the meat she formerly received from the United States and Canada. If Argentina can send her chilled beef to the English market to displace Canadian meats in the free trade British market, what is to prevent her sending her meat to the free Canadian market to displace some of the Canadian meat in this country? If Argentina does that, it does not necessarily mean that our people will secure cheaper meat, because the middleman will probably take advantage of that cheaper market to procure his meat and bring it in here and then retail it to the consumer at the same prices at which Canadian meat is now being sold. But it will be a competitor for the Canadian farmer's meat, and will supplant that meat to some extent in the home market. Canadian food has to-day practically free access to the United States market. If our Canadian farmer can have access for his food products to the United States market, at the same time excluding United States and other foods from the Canadian market, is it not a wise policy for the Canadian farmer to adhere to and support?

I do not acknowledge that the difficulties of the Canadian farmer to-day are due to the lack of markets. The farmer has difficulties; he has problems of his own, very serious problems. The chief ones are —what? The lack of help on his farm, the extreme cost of the distribution of his products. On this question of help, I might say that in western Ontario we are doing something to aid the farmer in supplying that need. By the hydro-electric policy of our good Ontario Government the western Ontario farmer is being taught to do without the hired help which he has been compelled to employ in the past. Speaking generally, that policy has been very successful on the farms throughout western Ontario. Many farmers are using hydro-electric power. They find it very satisfactory and are most enthusiastic in its praise. In the matter of distribution of food supplies two things are lacking: first of all, local markets. We know that a vast quantity of food on Ontario farms is spoiled simply because it cannot be marketed at low cost. I think the citizens of our towns and cities are somewhat to blame for that because they provide little or no convenience for the farmer who comes to market his goods in their town. How do the citizens encourage the farmer? In the great majority of towns, there is no established market at all and in those towns where a market is established the farmer has to pay a market fee of ten cents before he can sell any of his butter or eggs. It seems to me that if the townspeople want the farmers to come to their town to trade, they should offer them every advantage possible. They should remove the market fees, and provide comfortable buildings wherein the farmers' wives can dispose of their produce, protected from cold in winter and from dust and flies in summer. Another great help would be a system of good roads. We know the stand our friends

opposite have taken on that question in the last two sessions. The Government, anxious to aid the farmer by improving his highways were unable to do so on account of the action of gentlemen opposite supported by their friends in the Senate. A system of electric railways in Ontario would also be of great benefit to the farmers. Whether it is possible to secure that at the present day I am not going to discuss, but I am sure that in the thickly populated portions of Ontario it would be of great advantage to the farmer providing him with cheap and quick transportation to his local market.

I want to devote a little time to the milling industry. We all know that it is one of the great industries of Canada. I believe it is in the interests of the western farmer to adopt that policy which will encourage the establishment of mills in the western provinces. The mills would provide the farmers with the offal and the food for their cattle, which if they do not require now they will in the near future and be glad to get it. And it is only by giving encouragement to the milling industry that they can hope to have mills established there. Under free wheat that encouragement cannot be given and the western farmer will look in vain for the establishment of mills in the West if the policy of free wheat is adopted. I think there is a misapprehension on the part of some people in this country as to what constitutes the Dominion Millers' Association. That association receives a good deal of harsh criticism and is usually spoken of as an association of all the millers of Canada. That is not the case. The Dominion Millers' Association embraces merely the millers of Ontario, and not all of them. It does not take in the large millers of the West. The milling industry, as we know, is very well adapted to Canada. Western Canada particularly is one of the countries where that industry should be encouraged. The milling industry is looked upon by other countries as of sufficient importance to receive very generous encouragement. In European countries very substantial protection is given to the milling industry. In Austria-Hungary, for instance, there is a duty of $2.66 a barrel on flour; in France, $2.72; in Germany, $2.17; in Italy, $1.89; in Portugal the importation is prohibited; in Russia a duty of 72 cents; in Spain, $2.38; in Sweden, $1.51; and in Norway, 47⅝ cents. These duties show that European countries, at least, consider the milling industry of very great importance and desire to have established as many mills of as large a milling capacity as possible. The hon. member for South Cape Breton (Mr. Carroll) stated the other day that Great Britain was not a flour-producing country. I would like to remind him that Great Britain produces 50,000,000 barrels of flour every year. She produces 92 per cent of all the flour consumed in that country. Her yearly consumption is over 60,000,000 barrels, of which Canada supplies only 4 per cent. The milling industry in Great Britain has therefore reached very large proportions. But it was not always so. We sometimes talk of Great Britain as a free trade country and imagine the flour industry flourishing there on that account. The milling industry in Great Britain previous to 1901 was in a very depressed condition. After the cessation of the Boer war the British Government was compelled for revenue purposes to impose import duties on certain goods. They imposed a duty on flour and from that dates the general revival of milling in Great Britain. The millers became encouraged and began to pay attention to their own industry with the result that to-day they are able to mill 92 per cent of all the flour consumed in that country. There was read to the House the other night a statement regarding the prices at which the Canadian miller disposes of his flour in the old land and in some portions of this country. I would like to point out to the hon. member for South Cape Breton who made the statement that he is entirely in error, as he would have seen if he had examined his own figures. For instance, he said that flour in Montreal sold at $5.10 a barrel while at Halifax it sold at $6.50 a barrel. Now the freight on flour between Montreal and Halifax is simply 25 cents a barrel, and it would be an imaginative man who could think that flour would be sold in Halifax at $1.40 more than in Montreal when the freight between the two places is only 25 cents a barrel. The fact is the hon. member was quoting the statement of an anonymous writer in the Montreal Standard as he acknowledged at the time—a man whom he did not know probably, who may be a competent critic or incompetent, and I prefer to think him incompetent because his statements were entirely at variance with the facts. I am surprised that any member of this House should rise in his place and endeavour to support an argument in favour of free wheat

by quoting prices so erroneous as those prices were, and prices which if correct would greatly injure the millers of this country.

In comparing prices of flour too often the error is made of comparing the price of one grade with that of a lower grade, and also of making a comparison of flour in barrels with flour in sacks. The cost of sacks is 30 cents less for 196 lb. of flour than the price of a barrel which contains the same quantity. This error may unwittingly be made by a critic, but when any newspaper correspondent such as the aforementioned writer in the Montreal Standard makes the statement that the Canadian people are penalized by the milling interests to the extent of $1.71 per barrel upon every barrel of flour they purchase in each year, he displays utter ignorance of his subject. If this were the case, surely the American miller would soon be in the Canadian market with his flour, for the duty coming into Canada is only 60 cents per barrel. The fact is that the Canadian miller is selling his high grades of flour in Great Britain at a loss, and Mr. Lincoln Goldie of Guelph makes the statement that he has lost at least 20 cents on every barrel he exported on this crop. But his export trade enabled him to sell the same grades at a less price in Canada, and at the same time gave an increased quantity of mill offal to sell to the farmers. This is one reason why we should encourage the millers of Ontario to grind as much wheat as possible; the more they grind the more bran and shorts they will have to supply to the farmers for their cattle and hogs. The people of Canada buy the best grades, and if it were not that our millers can export some of their product our consumers would have to pay about one dollar a barrel more for their flour than they do now.

If the Opposition desire to build up a policy which the people can adopt, they must build it on something more substantial than newspaper articles. They must have facts on which to found it. The very fact that these anonymous articles, articles without foundation and without truth, are being used by members of the Opposition on which to base their arguments, shows that they have no facts upon which they can found a policy of free wheat and flour.

The hon. member further made the statement, quoting from this writer in the Montreal Standard, that the Ogilvie, the Lake of the Woods and the International Milling Company, according to the published records, made a profit of from 30 to 60 per cent upon their capital. I am prepared to say that if these companies made that profit on their capital it was not made in the milling business. The fact is that these companies do a large general grain business, and handle elevators, and I have no doubt at all that if profits were made they were made chiefly out of the grain and elevator business. Why do I say that? I have not the figures of these companies, but I have the figures of another company which substantiate what I say. I want to quote some figures from the Grain Growers' Grain Company's report. The Grain Growers' Grain Company is in the grain business in the West. According to their report last year they made a loss of $200,000 on their export business. The wheat that they had exported to Europe and other countries entailed a loss to the company of $200,000. This they paid out of the reserve which they had accumulated. They made a further loss of $30,000 in the operation of grain elevators, but they made a net profit on their whole business of $170,000. On what was that profit made? That profit was made on their sales chiefly to Ontario millers. They lost on their export trade, they lost on the operation of their elevators, but when they came to do business with the Ontario millers, and to sell him wheat, they made a profit of $170,000. Therefore, I think that this substantiates my statement that the money is not made on the export business of our millers but is made on the business that is done in this country. Lest these figures should be disputed, they will be found in the annual report of the Grain Growers' Grain Company, in which they say:

> A loss of $200,000 occurred on the export end of the company's business for the last year.

Then, further on they give their profits as I have quoted them. They made a profit of $170,000, which enabled them to pay a dividend of 25 per cent on their capital. The report is published in the Grain Growers' Guide. Coming back again to the hon. member for South Cape Breton, he states that Canadian flour is being sold in the old country at a lower rate than it is being sold for in this country, but in making this statement he is under an entire misapprehension. He quoted prices of grades altogether different. He stated that the export of Canadian flour to the old land is chiefly in the higher grades. The very opposite is the case. I have had access to the

figures of one of the large mills, and I have seen a statement of their business. The fact is that during the term for which I examined their statement they had not exported one barrel of top patent, and 90 per cent of their export was in the lower grades. The truth is that Europe and Great Britain desire the low grades of flour, because there is a demand for them among a certain class of the people, and large quantities of those grades are consumed.

If the policy of free wheat were established, how would the Ontario miller compare with the United States miller? We know that in the United States they have early harvests. In June the Kansas crop, amounting to 86,000,000 bushels of hard wheat, is reaped; in July, in Nebraska, 58,000,000 bushels; in early August, in South Dakota, 23,000,000 bushels of hard spring wheat, and in late August, in North Dakota and Minnesota, 79,000,000 and 67,000,000 bushels respectively, giving a total crop of hard wheat which would be available for marketing before the Canadian wheat was reaped of about 330,000,000 bushels. The American millers can buy this grain, grind it, and ship it into Canada and glut the market here before the Ontario miller has an opportunity of grinding the new crop. But you may say: Why does not the Ontario miller import this wheat? He cannot do so for the simple reason that freight rates prevent him doing so at a profit. But the American miller can buy this wheat, grind it, and ship it to Boston at a cost of about 30.7 cents per hundredweight. If the Ontario miller wishes to buy it, he will have to pay freight to Detroit, then from Detroit to an Ontario point, and then from the Ontario point, say, to Boston, at a cost of about 50 cents per hundredweight. The American miller has an advantage over the Canadian miller of about 20 cents per cwt. on freight rates on the same wheat shipped from the same point. Then the American miller has another advantage. He gets his offal, bran and shorts shipped at 20 cents per ton less than the flour, while the Ontario miller has to pay the same freight rates on both offal and flour. This gives the American miller an advantage of about $\frac{2}{3}$ cents per bushel on his wheat. The Ontario miller must look for his market to Great Brtiain, the great consuming country of the surplus flour produced by the United States and Canada. The Ontario miller would be in a position to ship much more flour to the British market were it not for the fact that the ocean freight rates are so exorbitant. This is due to the fact that we have in the North Atlantic a shipping combine which during recent years has raised the rates enormously. It would be well for this Government and this House to consider whether or not something can be done for the benefit of the Canadian milling industry and indirectly for the benefit of the Canadian farmer by endeavouring to reduce the freight rates on the wheat and flour produced in this country and exported to Europe. To show that these rates are high, I might say that the Glasgow miller has on his wheat a rate which is $8\frac{3}{4}$ cents lower than the Canadian miller's rate on flour. Not only have the shipping combine greatly increased the freight rates on both grain and flour during recent years, but they have increased the rate on flour to such an extent that they are discriminating against the shipments of flour. The Canadian miller has to pay so much more for the shipment of his flour across the Atlantic than the British miller can secure his wheat on such a freight rate that it is making it perfectly impossible for the Canadian miller to compete with the British miller. The excess rates paid on the export of flour to Great Britain during last year amounted to about $500,000 and on the total export of flour to $835,000. This handicap is placed on the Canadian miller; but it affects not only the Canadian miller but the farmer behind him, because all these costs come eventually out of the producer of wheat. The Canadian farmer and the Canadian taxpayer is to-day, on account of these freight rates, bonusing the British miller to this extent, and that high freight rate is acting in the same way as a tariff would affect the import of flour into Great Britain. Therefore the British miller, instead of having free trade, is practically protected in his business as against the Canadian miller, and the imposition of these freight rates is consequently contrary to the interest of the Canadian farmer. If a remedy can be found for this condition, it will help not only the western farmer, but the Canadian miller. I wish to read an extract from the Canadian Grain Growers' Guide of December 10, 1913, which makes this matter clearer than I can make

it. After giving the increased rates on Atlantic freight, it goes on to say:

It will be seen that in 1912 freight rates on both wheat and flour certainly jumped to more than double the average rate that had been prevailing for the previous five years. In 1910 the average rate on wheat from New York to Liverpool was 5.06 cents per cwt., or 3.03 cents per bushel, but in 1912 this rate had jumped to 12.75 cents per cwt., or 7.65 cents per bushel. That is, in two years the freight on wheat from New York to Liverpool was raised from 3 cents per bushel to 7½ cents per bushel, the increase being 4½ cents per bushel, making $45 on a 60,000 pound car of wheat, or $60 on an 80,000 pound car. Figures are quoted from American ports, because they are not easily secured from Canadian ports, but the Canadian rates are much the same. If it now requires $45 to $60 more to have a carload of wheat carried across the Atlantic than it did two years ago, it must be apparent to every one that the farmers in western Canada are receiving $45 to $60 per car less than they would be receiving, because of these high freight rates. . . . The rates on flour have also been enormously increased and the Millers' Association protested vigorously, as it greatly handicapped their business and has already greatly reduced their export trade. This is one place where the millers and the farmers can well afford to work together for mutual protection.

Again, in its issue of December 3, 1913, the Grain Growers' Guide concludes an article on the ocean combine with these remarks:

The probability is that if the full facts are revealed by the promised investigation it will be found that the best method of regulating rates will be by the establishment of competition by a line of public-owned steamers.

I heartily concur in this view. I believe that the Grain Growers' Guide in this statement has given us a policy which will do more for the western wheat grower than the admission of his wheat free of duty into the United States can possibly do for him. The Grain Growers' Guide estimates that on last year's crop the farmers would have saved $9,000,000 had the rates not been increased over what they had been a year or two before. That is a large sum of money, and the matter is well worthy of the attention of this Government and this House; and if any policy can be adopted which will reduce these excessive freight rates, it will be in the interest, not only of the western farmer but of the eastern farmer, because what benefits the eastern miller benefits the eastern farmer. I believe that the establishment of a line of freight boats, to carry agricultural produce from Canada to Europe and to bring back freight from Europe to Canada will be of very great advantage to the farmers of this country.

In conclusion, I wish to say that we in the East are heartily in sympathy with our western fellow-citizens. Anything that can be done by the Ontario representatives to assist the western farmers I am sure will be done heartily; but we ask simply that the western farmers do not forget that the interests of Ontario farmers have to be considered as well. Whatever policy is adopted must be beneficial not only to the West but to the East, and we hope that the prosperity which the western farmer has had in days gone by will continue, and that the prosperity of the Ontario farmer will not be injured in any way by the adoption of the policy which the Minister of Finance has laid before the country.

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, I have followed the remarks of the hon. member for South Perth (Mr. Steele) and I must congratulate him on having been so moderate and so orthodox in his views, and in not breaking away from the line laid down by the Government. At the time of the last general election there was some doubt, after the result was announced, as to what the policy of the new Administration would be. It was announced at the time that thousands of Liberals throughout Canada had joined the Conservative party with the sole purpose of preventing reciprocity with the United States, and that the new policy of the new Government would be a broad one, one under which all who had voted under the banner of 'no truck or trade with the Yankees' could come. I am glad to know that the Minister of Finance, in his Budget speech, in the very few words which I shall quote to the House, has laid down the policy of the present Administration; so that any Liberals who were misled into voting for that party on the 21st of September, 1911, may know what is to be the policy of this Government. These words are to be found in the opening remarks of the hon. minister:

I desire to affirm the adherence of the Government to a fiscal policy of reasonable protection to Canadian industries including of course the great basic industry of agriculture. That policy is the historic National Policy of Sir John Macdonald, inaugurated by him and continued by his successors in office down to the present time. We believe it is the best, indeed the only and in a sense the inevitable policy for Canada, situated as it is geographically and in the existing fiscal conditions of the world today. Under that policy Canada has prospered in the past and will continue to prosper in the future. We believe it to be the true policy for Canada and for every part of it if we are to

regard as desirable stable business conditions and a diversified national life throughout the Dominion. It means the development of our natural resources, the maintenance and extension of our industries a fair wage standard for our artisans and a stable and profitable home-market for our farmers thus justifying its name as a national policy—a policy in the interests of the nation as a whole.

We have therefore the statement of the Minister of Finance, speaking for the Administration, that the Government intend keeping up the old National Policy. Of course, no reference is made here to what has happened since 1896. There has been fiscal legislation on several occasions which was approved by the country. Parliament in 1897 declared in favour of a British preference. Later, that preference was increased. And in the fourteen years during which I have had the honour of a seat in this House I have heard many complaints from the other side against the British preference. I have heard the woollen industry, for instance, protest against a further increase in that preference, though their sentiments never got into the shape of a motion. But the Minister of Finance makes no allusion to the introduction of the British preference. There certainly was no British preference in the National Policy of 1879 as laid down by Sir John Macdonald. Nor was there a successful attempt at the introduction of reciprocity. No allusion was made by the Minister of Finance to the charges made in the tariff after the Fielding-Brodeur-Paterson Commission, and its tour of investigation. If the National Policy is to be maintained regardless of changes which have been brought about since then, the speech of the Minister of Finance amounts to a declaration of the Bourbon idea. When Louis XVIII came back to France after the Napoleonic wars and the Napoleonic regime, he went on as if nothing had happened, ignoring the fifteen years of glory that the First Napoleon had shed upon Europe and especially upon France. The same will happen here if you are to eliminate the fifteen years of the Liberal regime and declare that we are still to have the old National Policy. My hon. friend from South Perth (Mr. Steele), who is very moderate in his views, claims that Canada's prosperity is due to the National Policy. He made no reference to the British preference, nor to any changes in the tariff. But he could not give credit to these things, seeing that he has declared himself an out-and-out supporter of the Government.

In his declaration of policy the Minister of Finance has given no consideration to the condition of affairs at present existing. For example, we know that there has been a check to progress—the Minister of Finance has admitted this; that money has been very tight, that there is an increase in the cost of living, that there is a loss of employment, that wages are lower, and that there has been an increase in the urban population and an undesirable decrease in the rural population. We have learned in this House also that there has been a falling off in revenue. And, while we are informed that there has been an increase in our foreign trade, there is a decrease in our imports, possibly owing to the tightness of money, and the increase in our exports is attributable wholly to the change made in the Underwood tariff last October, and is confined to the ten articles of cattle, horses, oats, beef, cream, print paper and fertilizers. The export of these articles, with one or two exceptions, has had the effect of still more increasing the cost of living in Canada. And we know—and both political parties may as well admit it—that the main reason for the increase in the cost of living is that people have been flocking to the cities and leaving the farms; the country has been deserted and the cities overcrowded. Mayor Martin, of Montreal, our colleague in this House, had an experience yesterday. He had invited the unemployed to call on him at the city hall, and 5,000 of them turned up at forty-eight hours' notice. No cards were sent out, but merely an informal notice was given in the papers that the mayor would be prepared to meet the unemployed who called upon him and wanted work. Five thousand of them turned up. That will give an idea of the employment problem in the city of Montreal.

Mr. PELLETIER: Did not he say he had employment for them all ?

Mr. MARCIL: I do not know how far he went. We know that the condition is that the country has been relatively deserted and the cities overcrowded. The Government has appointed a commission to inquire into the cost of living. The exact purpose of this commission was stated by the Prime Minister in answer to a question put by the hon. member for Russell (Mr. Murphy) to be:

To make an inquiry into the increase in the cost of living in Canada and into the causes which occasion or contribute to such result.

I am sorry to say that the members of this commission, are all three of them civil servants—of course, highly respecable men and competent for their ordinary work, but not at all the personnel of a commission required to inquire into the high cost of living under present conditions. One is the Commissioner of Customs, a very busy man, another the Commissioner of Agriculture, and the third the chief statistician of the Department of Labour. These men will probably be able to ascertain that there has been an increase in the cost of living, but whether the cause will be known is another matter—and we are told that it is certainly not to be known this session. I believe that the appointment of that commission is very unsatisfactory.

There is one fact that this Parliament cannot overlook: in what condition would this country be in to-day if it had not been for the opening of western Canada—if it had not been for the settlement of British Columbia, Alberta, Saskatchewan and Manitoba? In British Columbia during the past ten years there has been an increase in population of 119 per cent; in Alberta 413 per cent; in Saskatchewan, 439 per cent and in Manitoba 78 per cent. Is it not a pitiful and a discouraging sight to see this Parliament called upon in the year of grace 1914 to pass a measure to reduce the representation of the four original provinces of Confederation? We may have to legislate to take away one representative from Prince Edward Island; we are going to take away two from Nova Scotia; we are going to take away two from New Brunswick. Quebec, by the fecundity of its people and on account of the large number of persons who have come into the city and island of Montreal, has held its own as far as population is concerned, but the population of Ontario is decreasing. Is there not something radically wrong with a system which presents this spectacle to Canada and to the world at large? Is it because the natural resources of eastern Canada are wanting? Is it because the blood and sinew of our people is not what it should be? Is it because the statesmen of both political parties have not had the foresight to solve the problems which have come before them? What has happened to bring about the depopulation of Prince Edward Island, Nova Scotia and New Brunswick? Is there not there a magnificent climate? Are there not in Nova Scotia, in New Brunswick and in Prince Edward Island almost all the resources which can be found in the northern part of this continent? There you have the forest; you have the mines; you have agriculture and fisheries. The farmer on the seashore has a double crop, one from the land and another from the sea. In these provinces you have everything under the sun that tends to make a country rich, prosperous and happy; everything that tends to develop and increase population. Why is it, then, that the population of those provinces has gone down and is steadily decreasing? Why should Ontario, situated as it is, almost in the middle of the continent, with magnificent railway facilities; with lake navigation; with easy access to the United States and to the seaboard; with the St. Lawrence water route; with electric power developed from Niagara and, soon to extend to all portions of the province—why should Ontario lose so many of her people? With its magnificent school system; with its system of agricultural education so well developed; with its farmers' institutes of all kinds; with its newspapers, telephones on the farms, highways, and adequate telegraph communication; with all the facilities known to modern life, and peopled, as it is, with persons of the best races, why should Ontario lose a portion of its representation in this House? How is it that we have again to submit to the humiliating spectacle of voting to cut down the representation of Ontario and the eastern provinces, as we did in the last Parliament and as we may do in the next Parliament, if things continue as they have up to the present time?

At six o'clock, the House took recess.

The House resumed at Eight o'clock.

Mr MARCIL (resuming): When the House took recess at six o'clock, I was calling attention to the extraordinary fact that, while marvellous progress in population has been made by western Canada in the last fifteen years, the older provinces of Canada had remained about stationary and in some cases their population had actually gone down; so much so that this present Parliament will be called upon to reduce the representation from out of five of these provinces. I notice that at the last census the increase in the rural population of Canada was only 574,787, or 17·6 per cent, whereas the urban population had increased by 1,258,645, or an increase of 62·25 per cent. In Prince Edward Island we find a decrease of 9,531, or 9·23 per cent. In Nova Scotia there was an increase of only 32,764, or 7·13 per cent. In New Brunswick

there was an increase of only 20,769, or 6 27 per cent. In the case of Quebec, owing, as I have said, to the peculiar advantage of the French race and a large increase in the island of Montreal, the population increased by 353,814, or 21·46 per cent. Ontario increased only 343,327, or 15·58 per cent. These conditions point in my mind to the absolute necessity that exists for Parliament to take some thorough measure to solve the greatest problem that now confronts the Canadian people, that is to send the overflowing numbers from the cities back to the farm, to the country. We find that in Montreal probably there is a more pressing necessity for this than in other cities of Canada, because Montreal has a larger population. To illustrate the conditions there I would point to what occurred yesterday; when the mayor casually called upon the unemployed to turn out at the city hall several thousands turned out at a season of the year when there should be employment for all.

My reason for speaking on the Budget is that I wish to call the attention of the Government, because I think it is part of their programme, to some of the requirements of the district I have the honour to represent in this House. These requirements apply to the eastern part of the province of Quebec and the provinces of New Brunswick, Nova Scotia and Prince Edward Island. We have as the first article of the policy of the present Government reasonable protection, including protection to the great basic industry of agriculture. I contend that the protection meant here, that has been meant by most Governments up to to-day, is the protection of industrial establishments in Canada. Very, very few instances can be found of direct protection to the Canadian basic industry of agriculture. In the estimates now before the House, the Minister of Agriculture claims he has about doubled the amount we are voting to agriculture. We are called upon to vote this year, I think, $3,150,000, whereas some three or four years ago the amount was barely half of that, while we are called upon to vote this direct encouragement and help to the agricultural classes, we are called upon at the same time to vote over $10,845,000 for militia purposes. Canada is a peaceful and peaceable country.

The hon. member for South Perth (Mr. Steele), who spoke before me this afternoon, gave a very moderate address. He is to my mind one of the ideal representatives of a rural community in Ontario. He represents one of the leading rural communities of that province. He did very quick work with the naval proposal. I understand that he is not at all favourable to the creation of a Canadian navy nor to the expenditure of any very large amount for warlike purposes. He devoted most of his address to the question of helping agriculture in various ways and increasing the assistance now given to it. I am altogether in favour of that idea, and hope that the Government will see its way to extend the work that it has commenced; and for that purpose I intend this evening, as briefly as possible, to call attention to what I consider should be done in the district I have the honour to represent. Down in the eastern part of Canada, in New Brunswick and eastern Quebec, outside of the main lines of railway communication we are very backward in railway communication, that is, in the matter of branches. The communications are very defective, and without transportation it is useless to expect a farming community to be prosperous. We have a number of branch lines along the line of the Intercolonial railway which should have been incorporated years ago into the Intercolonial system. It is useless to ask farmers to go into a district of country and cultivate land unless there are proper and cheap transportation facilities. These transportation facilities exist to a much larger degree in the old province of Ontario, where the railway map is almost a checker board. Notwithstanding that, the province of Ontario has not made much progress in population. Quebec is still worse. In Quebec, now geographically the largest province in the Dominion of Canada, we have more especially in the district of Gaspé, which I have the honour to represent, an enormous area of about 7,000,000 acres of land with very little railway communication. It is true, we have a branch line from the Intercolonial running 200 miles down the coast of Gaspé. That railway is at present being operated for the benefit of shareholders. In the winter time the service is inadequate. There is little rolling stock or material of any kind except the rolling stock of the Intercolonial. The result is that farming has been discouraged. The three great industries of that district are lumbering, fishing and farming. The lumbering industry is largely carried on by water. A large part of the lumber goes to the United States, to which it now has free entry; some goes to England, and the remainder to South America and the West Indies. As far as fishing is concerned, there is no

way of exporting the fish except by salting it down, which reduces its value. The fish mostly goes to the West Indies and South America. We have no cheap communication with the great centres of population, no refrigerator car system such as they have in the Maritime provinces. Our friends from Nova Scotia often complain that the transportation system of the Maritime provinces is not what it ought to be. In the maritime portion of Quebec no such system exists at all. The Baie des Chaleurs is the finest sheet of water on the American continent, but we are absolutely without facilities for sending away fish.

As far as agriculture is concerned, it is practically confined to local purposes. Little encouragement is given to agriculture. We have asked in this House the late Government and this Government to put an experimental farm in the Gaspé district. The nearest one is at Ste. Anne de la Pocatière, 300 miles from the centre of the Gaspé district. Farming conditions in that district are altogether peculiar, and there should be an experimental farm of some proportions put in that district. I read in this House last year an important communication from Mr. Riopel, a man conversant with farming conditions in that vicinity, and for many years the Conservative representative of Bonaventure in this House. He advocated the creation of an experimental farm at the county seat of Bonaventure. If that could not be done, small experimental farms might be located in various parishes in Bonaventure county and Gaspé. We have a splendid farming stock down there. We have some fine French and Scotch farmers, and in other parts of the county of Gaspé a mixed community. We have an intelligent and hardy population, but facilities are altogether lacking. When we remember that Jacques Cartier sailed into the bay of Gaspé and took possession of it before coming up to Quebec, it seems strange that Gaspé should have been the only county without a single mile of railway up to a few years ago, when, thanks to the initiative of the late Postmaster General, the present member for Rouville (Mr. Lemieux), who worked incessantly for ten years, we got our first railway. It has been built down to Gaspé basin and runs for 200 miles along the coast. It has been subsidized to the extent of nearly $1,500,000 in cold cash by the Dominion. Probably half a million more has been spent by the province of Quebec and $3,000,000 has been invested by the English shareholders of the Atlantic, Quebec and Western railway from Carlisle to Gaspé. The result is we have a branch line 200 miles long built at the cost of four or five million dollars through very difficult country. It should form part of the Intercolonial. The railway skirts the shore of the Baie des Chaleurs and passes through the most picturesque part of eastern Canada where pulpwood can be found in great abundance, where fisheries are of the first order, and land is of the most fertile character, and from which for generations we have seen our young men and girls leave by the hundreds every year for the United States and all parts of Canada because they have not the facilities which they should have in their own country. We have spent a great many millions of dollar to people the Canadian Northwest. I myself have voted for a great many dollars for that purpose during the last fourteen years, and I do not regret it because I have done so with the full consent and acquiescence of my electors. We consider that the opening of the Northwest meant prosperity to Canada as a whole but I think the time has come when this Parliament should give some attention to the conditions which prevail in eastern Canada. The province of Ontario has many spokesmen in this Parliament who can well look after their province, but the time has come when the provinces of Quebec, Nova Scotia, New Brunswick and Prince Edward Island should receive particular attention from this Government.

We have recently had a long discussion about the construction of the Transcontinental railway. I shall only refer to that en passant, for the purpose of showing what we are undertaking to do in that portion of Quebec traversed by the Transcontinental railway. In the Gaspé peninsula we have a region resembling the region from the city of Quebec up to lake Abitibi. We have now the Transcontinental there, and the people of the province of Quebec will undertake to people that section, as they undertook to fill the Nipissing section, the lake St. John section and the Gaspesian district in the old days. The province of Quebec has undertaken its share of work, and it may be interesting for the members of this House to see from the plan that I now produce, prepared by the provincial Government, the opening up

of fifty townships in that portion of Quebec traversed by the Transcontinental railway. These fifty townships bear, I am glad to say, historic names. We Canadians are proud of our past, proud of our heritage and of our heirlooms. Our children and others who come after us, when traversing this country, will be interested in knowing that the first township which adjoins the province of Ontario to the east bears the historic name of La Reine, the name of one of the regiments that took part in the fight on the Plains of Abraham under Montcalm. The next one is La Sarre, the name of another historic regiment that took part in that fight. The next one is Royal Roussillon, and the others are all named after officers in these regiments. The House will be glad to know that the movement of colonization has already commenced. The first train over the Transcontinental will soon leave Harvey Junction for Amos with a whole trainload of settlers who are going to repeat in the Abitibi district what French settlers have done all over the North American continent. The party is led by a French Canadian priest, Rev. Ivanhoe Caron, the agricultural missionary for the province of Quebec. In opening up new country in the Province of Quebec and all over the continent the Church and State have always worked hand in hand. An arrangement has been made by which this contingent will be able to take possession of this land before that section of the road is actually operated. A party even went up there in 1913 around by Cochrane, and Mr. Caron has been kind enough to send me a list of the first settlers that went and took up these lands along the line of the Transcontinental railway. There are on this list the names of 329 people, settlers, including forty families, who have taken possession of the land in that district. They are in communication on the south with the Timiskaming district, and there will be a line of railway running some day from the Timiskaming district up to the Transcontinental railway; so that I hope there are many members of this House listening to me now who will see that region of the Abitibi opened up and peopled with happy and prosperous settlers. We have other territories opened up in the province of Quebec with promising settlements, the result of the explorations that have been made in those northern districts. We have been informed by those who conducted these explorations that the forest growth is sufficient for local purposes and that the land is magnificent. Mr. Henry O'Sullivan, who was sent into that country in 1906 and 1907, reports that in the Abitibi district the most fertile land is to be found. They have a climate there that will be similar to that of the province of Quebec, because lake Abitibi is several miles south of a portion of the province of Manitoba. When the country opens up we will have there a longer summer season, as has been the case in the province of Quebec where, as the country opens up, the season becomes longer and the growth of crops more satisfactory.

We have therefore the first results of the efforts which have been made to open up that district. In the Abitibi country we have an example of a province seconding the efforts of the Dominion Government to colonize the unoccupied districts. The Dominion Government has built a railway and now the province of Quebec is undertaking to do its share. If other provinces follow the example of Quebec in this matter we may have similar movements along the whole of the Transcontinental line. The province of Ontario, I have no doubt, will do her part, as the province of Quebec has done.

We have, in the Gaspé district, a railway that has been constructed jointly by the Dominion and Provincial Governments, outside of the line which runs from New Carlisle to Gaspé, in which some unfortunate investors have placed considerable money. I consider that a parallel can be established between these two cases. If the Dominion Government have spent a large amount of money to open up the Abitibi region and to give more depth to that part of the province of Quebec, and if it is the part of wisdom to open up the newer districts throughout the country, there is no more fertile or interesting district than the Gaspé district, watered by the Baie des Chaleurs, which we call down there the Canadian Mediterranean. You have magnificent fisheries, large and productive timber areas, fertile land, but no transportation facilities. The duty of the Government of the day is imperative in that case. I think they should go beyond the action of the Senate. The Government do not need the Branch Lines Bill which was held up in the Senate. The Government could pass a measure to take over this railway, bring it in touch with the Intercolonial railway and work it as a branch of the Government road. I am sure that this House would approve of the undertaking without waiting until the

majority in the Senate dies out or until the party in power secures a majority in the Senate otherwise. The people at large are not all partisans.

The farmer, the lumberman, the fisherman, who has a long day of hard work before him for the purpose of getting a livelihood for himself and his family, does not know all these fine distinctions between one House and another. It does not make any difference to him what is done in the House or in the Senate. He looks to the results. All he knows is that he has been in that country for a long time, that his father was there before him, that the people have toiled for generations, that they have not had the railway connections which they should have had, that they are still occupying small farms, small holdings, that they have great difficulty in obtaining access to markets with poor roads, that if they produce agricultural commodities they have no way of reaching a market, that if they catch fish, unless the American market is open to them, they are at the mercy of the great fishing companies, and that if they get out logs and timber they are at the mercy of large lumber firms. They have none of the facilities they should have, and it is the duty of the Government, if it intends to carry out its so-called National Policy, as defined by the Minister of Finance, to go in and develop these older parts of eastern Canada.

The natural ressources of eastern Canada have not been developed as they should have been. During the present session we are asked to give some assistance to the coke, iron, and steel industries. We have in the past paid over large amounts of money for the purpose of helping various industries, but the real industry of the country is the farming industry, and we have done very little for that. The present hon. Minister of Agriculture (Mr. Burrell) may boast that he is getting three millions for the encouragement of agriculture. Although that is double what was given some years ago, it is insignificant as compared with the $10,800,000 that we are asked to vote for militia purposes. Canada is a peaceable country, and the time has arrived when there should be a reduction put to this expenditure. Instead of putting up drill-sheds, we should establish experimental farms and schools of agriculture. We should teach our people to stay on the farms. We should adopt the policy in the future of doing every thing possible to encourage men and women to go back to the farm. It was a pitiable sight that was presented in Montreal yesterday, when thousands and thousands of men were seeking occupations who had left their country homes, lured away by the city and many of them not possessing the means of going out West. Could not these people be sent back to the farms where it is so difficult for the farmer to obtain assistance, where the farmer has no help?

The first thing necessary is to open up transportation facilities by rail and water. This railway that I referred to a moment ago could be linked up immediately with the Intercolonial railway at the town of Campbellton. Campbellton is the first important station on the Intercolonial railway in the province of New Brunswick after we leave Quebec. It is the first divisional point in New Brunswick, and it is separated from the province of Quebec and the county of Bonaventure by the Restigouche river. We have in Campbellton the most important and progressive town in northern New Brunswick. It has a population of between 4,000 and 5,000. But, unfortunately, communication is cut off from the country to the north. The people of Bonaventure and the Gaspé coast are cut off from Campbellton, where they might have communication not only with that thriving town but with all points east and west on the line of the Intercolonial railway. The Intercolonial runs from Campbellton to Halifax and Sydney, on the east, and Montreal and Quebec, on the west. There is running south from Campbellton the International railway, which goes to the boundary of the state of Maine at St. Leonards, and connects with the Transcontinental, the Canadian Pacific railway, the Boston and Maine and the Boston and Aroostook railways. All these connections would give a great many advantages to the Gaspé peninsula if it were only linked up with the Intercolonial railway, but they are all intercepted by one river. There is one more river to cross, and that is the Restigouche river. These people have been asking for years, for generations, for a bridge over the Restigouche river, which is an interprovincial river. The provincial governments (Quebec and New Brunswick) have no exclusive jurisdiction over this river, and the Dominion Government should take a hand in providing a solution for this difficulty. This request was made last year, after the advent of the new Government to office, by the town of Campbellton, by the board of trade of

Campbellton, by the county council of Restigouche, by the town council of Dalhousie, by the whole southern part of New Brunswick adjoining the Restigouche river, by the county council of Gaspé, by the county council of Bonaventure, by the whole population of that part of the country. The matter was brought to the attention of the Hon. Mr. Monk, then Minister of Public Works, and also to the attention of the present Minister of Public Works (Mr. Rogers). The intention was that this railway running from Gaspé, where a deep water wharf has been built at the expense of over $200,000, where we have in the Gaspé basin one of the finest seaports of North America, where we have deep water, where we have open navigation for nine or ten months of the year, should at the other end of the line run into the town of Campbellton and connect with the Intercolonial, with the Canadian Pacific railway, with the Transcontinental, the Boston and Maine railway and in fact with the whole railway system. These resolutions set forth in very clear and distinct language the requirements of the district. I am drawing this to the attention of the Government at the present time, not for the purpose of bringing up what may be considered a local question, but for the purpose of calling attention to what I think is one of the things that should be done by the Government of Canada, namely, giving the lower portion of eastern Canada some of the facilities to which they are entitled, in order to induce people to go back to the country districts, where they were once so happy, and where they would be so prosperous now if they were only given the ordinary advantages that they should have. No matter what we may say, no matter what changes we may make in the tariff, whether we reduce the duty on agricultural implements 5, 10 or 50 per cent or cut the duty out altogether, neither this country nor any other country will ever be prosperous unless agriculture is prosperous. Agriculture is the basic industry, and how can it be expected for an agricultural region such as this—

Mr. BURNHAM: Does my hon. friend include Great Britain in that statement?

Mr. MARCIL: Great Britain is not an agricultural country.

Mr. BURNHAM: No, that is what I thought.

Mr. MARCIL: I am speaking now of an agricultural country. I am told that in Great Britain is the finest farming land in the world, but that the area is limited. We have in the Gaspé peninsula an area equal to two or three of the small kingdoms in Europe, and yet it has practically no communication with the outside world. You have a Government system of railways leaving the city of Montreal and going to Halifax costing this country nearly $100,000,000. This railway system has been described as a tree without branches. How can this tree live without these branch lines? The Intercolonial railway should have twenty to twenty-five branch lines, and not one of them is operated as it should be by the parent system. The Canadian Pacific railway has over 9,000 miles of branch lines, the Grand Trunk railway some 7,000 miles, the Canadian Northern railway over 3,000 miles, and the Grand Trunk Pacific railway opened up this year 1,000 miles of branch lines. Confederation was brought about by the Intercolonial railway and the concessions made by the province of Quebec at the time for the purpose of unity and goodwill in Canada. Without the acquiescence of Quebec, Confederation was out of the question, and without the acquiescence of Quebec, with its lasting loyalty to British institutions, the Confederation of Canada would cease to exist. Quebec is the keystone of the arch. We have here a government system of railways that has been in operation for about forty years, but that gives no benefit whatever to the district through which it passes except a few miles on each side of the road. Why should not the north shore of the Baie des Chaleurs, which is peopled by nearly 50,000 inhabitants, have the benefit of this railway system, as the south shore has? If we had taken over the Temiscouata railway, which joins the Intercolonial railway at Rivière du Loup, the Megantic system, the Quebec Central railway and the Arthabaska system, the International system, instead of being a single track road for 858 miles down to Halifax the I.C.R. would have gone into all the different parts of Quebec, New Brunswick and Nova Scotia; and, with the help of the Prince Edward Island railway, would have brought facilities to all parts of that country. We wonder why the population of eastern Canada has been stationery. In my opinion, the first explanation is that you have not given the people of

eastern Canada the facilities that they should have. What is the use of farming in Gaspé peninsula or in Bonaventure county, if you have not a market for the crop? It costs less money to send freight 300 miles over the Intercolonial railway than to send it 100 miles over a branch line railway. The railway board, I understand, is quite agreeable to this, holding that branch line railways, owing to their short haul, are entitled to three times the amount of the rate charged on the long haul on a main line of railway. How can you expect these people to live satisfied and contented in these agricultural districts? They leave the country and flock into the cities. What is the situation today, for example, in the city of Montreal? I mention Montreal because I am more familiar with conditions in that city than in any other city in Canada. In Montreal the house of refuge, the brewery mission, the municipal refuge, all the charitable societies, will tell you that last winter was the hardest winter in Montreal for the last twenty years. At the present time there are thousands of men out of employment. I do not say that this is all the fault of the present Government, but it is the fault of the system by which we do not give the rural parts of Canada the facilities to which they are entitled. It is all right to build up big cotton mills and factories throughout the country, but the biggest factory of all is the farm, and, unless the farm is prosperous, nothing can be prosperous in this country. I appeal to the Government to consider seriously the construction of this bridge, so as to bring that line of railway into communication with the Intercolonial system. My arguments in this particular case will apply, I am sure, to a good many other parts of the country. I would like to read the resolution passed by the Board of Trade of the town of Campbellton, which is equally divided between English speaking and French speaking people and is very closely divided politically, the hon. member for Restigouche (Mr. Reid) having a small majority; so that this is the expression of what we may consider a fair specimen of the Canadian people on a small scale. This resolution, which was sent to the Minister of Public Works, in support of the proposition to link the Gaspé peninsula with the Intercolonial railway, is in the following language:

The Board of Trade of the town of Campbellton in the county of Restigouche province of New Brunswick, most respectfully beg to memorialize your department regarding the importance and necessity of a bridge to be constructed across the Restigouche river at Campbellton aforesaid, connecting the town of Campbellton, on the one side, with the county of Bonaventure, in the province of Quebec, at or near Cross Point, on the other side, such bridge to be a combined railway and highway bridge, the highway part to be free of tolls, and in that connection your memorialists would urge:

1. That said Campbellton is a divisional point on the Intercolonial railway of Canada, where extensive railway works have been built and are in operation.

2. That said Campbellton is the eastern terminus of the International railway, which at its western terminus connects with the Canadian Pacific railway system at St. Leonard, near the state of Maine boundary, and in close touch with other railway systems at that end of its line, both Canadian and American.

3. That said highway bridge would be of great convenience and benefit locally, both to the inhabitants of the county of Restigouche and of the county of Bonaventure, at all times of the year, and particularly during certain seasons when the Restigouche river is closed for traffic on account of running ice and shore ice, the said town of Campbellton being the natural market for farmers and others residing on the opposite side of said river in said county of Bonaventure and the most convenient and advantageous point for the shipment of the surplus farm products, and other products, to the markets of the world.

4. That your memorialists believe and urge that the construction of such bridge would have the effect of stimulating trade in the said counties, and traffic upon the said railways, as well as upon the Quebec Oriental railway in the county of Bonaventure, which latter railway would, in all probability, connect with the two other railways above mentioned at Campbellton if said bridge became an accomplished fact, and it is submitted that the enormous traffic which would pass over said bridge would amply justify the construction of the bridge as a public work by the Dominion of Canada, and not only that, but as a project which must, in the nature of things, be of such an immense benefit, and be so great a convenience to such a large community on both sides of the river, should, your memorialists believe, commend the project to the serious and favourable consideration of your department.

5. Your memorialists would also call to your attention the fact that the Government and Parliament of Canada have already endorsed the project as evidenced by the fact that a subsidy of some one hundred and sixty thousand dollars has been voted for this purpose.

6. That this board of trade joins with the town council of the town of Campbellton, the county council of the municipality of Restigouche, and the numerous petitioners in the counties of Restigouche and Bonaventure, in urging upon your department the great and numerous advantages which would result from the construction of the bridge in question, and the necessity which exists for the same, and beg most respectfully that the project may receive, as we have no doubt it will, your most careful serious and favourable consideration.

By order of the Campbellton Board of Trade.

(Sgd) J. Harquail,
President.

John T. Reid,
Secretary.

Campbellton, N.B., Dec., 1912.

Mr. W. F. MACLEAN: How much would that bridge cost?

Mr. MARCIL: According to the last estimate, $640,000.

Mr. MACLEAN: Would it block navigation?

Mr. MARCIL: No; it would be an iron bridge put up by the Dominion Bridge Company. We incorporated a company called the Interprovincial Bridge Company, and they applied for the usual bridge subsidy, which was voted—$150,000. This was deemed insufficient and an application was made for a guarantee of bonds. The change of Government took place before the matter could be brought to a head. The condition in this case is not the ordinary condition. This is an interprovincial bridge; it would bring the Intercolonial railway into connection with two hundred miles of railway built with Dominion money which has not been fully utilized; it would bring us in touch with the port of Gaspé which is the finest port in North America notwithstanding what may be said by the representatives of Halifax or Sydney. Having Gaspé linked with Montreal, when your steamer from Europe reached Gaspé you could take a fast train and could land your mails in Detroit and Chicago about the time a fast steamer would reach Quebec; and those mails could be far into the western part of this country by the time the steamer reached Montreal. Besides, the construction of this bridge would open up a new part of Quebec to the agriculturists, the lumbermen and fishermen.

It is to such things, in my opinion, that we must look to the solution of the high cost of living. The main cause of the high cost of living, everybody will admit, is that we have ceased to be a nation of producers and are fast becoming a nation of consumers. We have to-day in the island of Montreal 650,000 people. When I was a boy what is now the city of Westmount was an orchard. At the coteaux there they grew the finest apples in the world, the Fameuse. When the late King Edward VII came to Canada he took such a liking to the Fameuse apple, that he gave an order, which has stood ever since and which is still filled every year, that this apple should be furnished for the Royal tables at Windsor and other castles. Those orchards are disappearing from the island of Montreal. And the Montreal melon, which was second to none on the continent, is also disappearing from the island of Montreal.

Mr. W. F. MACLEAN: The Shaughnessy melon is there.

Mr. MARCIL: But the Decary melon is fast fading away. When I was a boy the market gardeners around Montreal were a sight to see, with people coming in twice a week to the great Bonsecours market. But these have disappeared and the whole island of Montreal is being divided up into building lots. To help on the work, the Canadian Northern railway is coming in through the mountain to open up the northern portion of the island. To-day farms on the island of Montreal are sold at $200,000, $300,000, $400,000—whereas twenty-five years ago you could buy a whole parish for that money. With the disappearance of the gardens on the island of Montreal, we have to depend for our vegetables on the Ontario and American supply—largely American. Our people have ceased to be producers and are all consumers. Other portions of the province of Quebec have not gone in for gardening. A movement was inaugurated last week by the Gardeners Association of Montreal, to ask aid from the city in the way of facilities for the purpose of opening up Isle Jesu, immediately north of Montreal island in the county of Laval, and transform it into gardens to supply Montreal with what it needs. And what we see in the island of Montreal is taking place all through the province of Quebec. We have ten or fifteen counties in the province of Quebec whose population is 5,000, 10,000, 15,000 less than before. Here at the very doors of the city of Ottawa, we have the county of Labelle, a new agricultural and colonization region where, thanks to the French-Canadian settlers, you have 50,000 people. But immediately adjoining that you have the old historic county of Argenteuil, so well represented in this House by my hon. friend (Mr. Perley), the total population of that county being only 16,000. Is there any reason why this state of affairs should exist? We go the wrong way in the solution of our difficulties in my opinion, when we discuss as of tremendous importance, slight alterations in the tariff merely because those who are interested in the tariff come here and get up a lobby. But the mass of the people, the honest, hard-working farmers, the men who see the sun rise and are often at work after it has set—such men are seldom seen about these lobbies, but they are the men who are entitled to

the protection, the fatherly protection, of this House. I want this Government to live up to their so-called National Policy as it was intended by their great leader Sir John Macdonald. They are not very generous, our friends opposite. They will not believe that we have improved the National Policy to a great extent; they will not admit that the British preference has been a tremendous improvement, as also have been the changes we made since the British preference was introduced. They are not generous enough to admit that we have made improvements. Still they are satisfied with the National Policy as it was left by the Liberal party, for speakers on that side one after another have risen and told us that this has been the banner year in the history of Canada so far as business is concerned. So much the better; I hope we shall have many other banner years.

I ask nothing but the progress and advancement of the country. The party that is in power is, after all, a secondary consideration; one party may hold the reins of power to-day and another to-morrow, but how best to meet the needs of the country districts and older parts of the province of Quebec—those which bore the burdens of the early days; those which have waited for generations for the assistance which they should have received but which they never did receive—that is the problem to the solution of which we should bend our energies and devote our time. I have indicated one of the ways of linking up Gaspé peninsula with the railway system of this country. The expenditure of $750,000 in the construction of a railway bridge which, being a part of the Intercolonial railway system, would remain the property of Canada, is one of the ways of bringing that about. The Minister of Public Works received the petition which was forwarded to Ottawa in this matter; he transferred it to his colleague from New Brunswick (Mr. Hazen); and his colleague from New Brunswick transferred it to the Minister of Railways and Canals, and that was the end of the effort made by the people in that regard. This is the letter written by the Minister of Public Works to the Minister of Marine and Fisheries:

Dec. 16, 1912.

My dear Mr. Hazen:

I enclose you herewith copy of a petition received from the town council of Campbellton, in the county of Restigouche, N.B., and also a copy of a petition received from the board of trade of the same town, memorializing the Government as to the importance and necessity of a bridge across the Restigouche river at Campbellton on the one side, with the county of Bonaventure, in the province of Quebec, on the other; such bridge to be a combined rail way and highway structure, and requesting the most careful consideration on the part of the Government of the same.

I might say that the two letters in question were accompanied by very numerously signed petitions from the residents of the district interested.

Yours sincerely,

R. Rogers.

The Hon. J. D. Hazen,
Minister of Marine and Fisheries,
Ottawa, Ont.

The letter of the Minister of Marine and Fisheries was as follows:

December 17, 1912.

Dear Mr. Cochrane:

Hon. R. Rogers, Minister of Public Works, has sent me the enclosed letter, covering a petition received from the town council of Campbellton, in the county of Restigouche, also copy of a petition received from the board of trade of the same town, regarding the necessity of a bridge across the Restigouche river at Campbellton, etc. As the matter is apparently one for consideration by your department, I am transmitting the same to you.

Yours faithfully,

J. D. Hazen.

Hon. F. Cochrane,
Minister of Railways,
Ottawa.

The final letter was as follows:

December 19, 1912.

Dear Mr. Hazen:

I beg to acknowledge receipt of your letter of December 17 enclosing petition re a combined traffic and railway bridge across the Restigouche at Campbellton. Rogers also sent me a copy, but we are not concerned as the Intercolonial does not cross the river at that point but at Matapedia further west.

Yours very truly,

F. Cochrane.

The Hon. J. D. Hazen,
Minister of Marine and Fisheries,
Ottawa, Ont.

It is true that the Intercolonial railway crosses the Restigouche river at Matapedia, eighteen miles from Campbellton, but it crosses there for railway purposes only. At Matapedia on the south shore of the river there is a mountainous district where but little settlement is possible; at Matapedia much property is taken up by fishing clubs and used for railway purposes. Campbellton is an important centre, as it is on the line of communication with the New England states, the Maritime provinces, Quebec, and the West. Some years ago there was a bridge at Matapedia belonging to the Intercolonial railway. When the Sydney iron works began to haul their heavy material it was

found that this bridge, like others along the railway, was insufficient, and it was ordered that it be taken down and that a new massive iron bridge be erected. It took us seven years, with the assistance of my colleagues from the provinces of Quebec and New Brunswick, to bring about an understanding between three governments, the Government of New Brunswick, the Government of Quebec, and the Government of Canada, with a view to saving the old bridge across the Restigouche river at Matapedia and using it as a highway bridge. Finally, through the co-operation of the three Ministers of Railways, first the late Mr. Blair, then the hon. member for Westmorland (Mr. Emmerson), and later Mr. Fielding, during the time that he acted as Minister of Railways; through the co-operation of these gentlemen and of the Government of New Brunswick, through the Hon. John Morrisey, whose name I am glad to mention in this connection, the Hon. Mr. LaBillois, at the time he was Commissioner of Public Works; the present member for Restigouche (Mr. Reid) in this House, Mr. Kelly the member for Bonaventure in the local House, and the member for Rouville (Mr. Lemieux), who then represented the county of Gaspé in this House; through our combined efforts we were finally successful in saving the old condemned bridge to be used in crossing this river. Without this bridge the river had to be waded. It took seven years to do this, yet we wonder why people of the rural parts of the country are leaving the farms and going West; we wonder why they have not the pluck and energy and courage that their forefathers had. It is an easy matter for a farmer to go out to the western country, take up land and produce No. 1 Manitoba hard wheat when he has at his command various kinds of machinery which were not available to those who worked years ago in Nova Scotia, New Brunswick, Quebec and Ontario. I presume the Minister of Railways merely acknowledged the receipt of the memorials which he received, and, as he is not familiar with the conditions, I have no intention of criticising him in that regard.

9 p.m.

Agriculture is, of course, next in importance to railways. Agriculture is a basic industry, but what is the use of agriculture unless you have transportation facilities? We have the water facilities which nature has given us, and of which we cannot be dispossessed, but agriculture is not receiving the encouragement in that district and in other parts of Quebec which I think it should receive. I asked the Minister of Agriculture some days ago whether it was his intention to establish a new experimental farm at New Carlisle, and I am sorry that his only answer was that the matter is under consideration. When the Estimates were before the House, I called his attention to the peculiar advantages of that district for the production of butter and cheese. It is a hilly, mountainous country. The report of Mr. Chapais, the officer of the department entrusted with the work in eastern Quebec, declares that there is no finer region in the whole province of Quebec for the production of cheese and butter than the counties of Bonaventure and Gaspé. Would you believe it, we have not a single refrigerator car in the Gaspé peninsula. We never had. If you want to ship butter or cheese from any portion of the district you have to send it on an ordinary freight car and that same car is generally the property of the Intercolonial as the local railway has practically no freight cars; you have to send it one hundred or one hundred and fifty or two hundred miles to the Intercolonial, there to run its chance to be taken up by a refrigerator car on the Intercolonial railway. We have a few butter and cheese factories which eke out a miserable living. But it should be made a magnificent dairy country. It is a splendid country for raising cattle and for the production of butter and cheese. I have called on the Minister of Agriculture to give me some encouragement in that respect, and he has referred me to the Minister of Agriculture for the province of Quebec. I am willing to give unto Caesar that which is Caesar's. This Government has voted $10,000,000 to aid agriculture, but $10,000,000 spread throughout the whole of Canada is a very infinitesmal amount. Quebec has received a certain portion of that vote, but the province of Quebec can do very little when we consider the immense area that it has to attend to. Quebec has at present a Liberal Administration. I am not here to say it is any the worse for that, because I think by common consent it will be admitted that the present Administration of Quebec has been progressive. Its financial standing is of the best, it has shown a satisfactory state of affairs financially and it has gone into the improvement of the highways, following in that the lead given by Ontario. There is to be a congress next week in Montreal at which the province of Quebec, the New England states and Ontario

are to be represented. The provinces at last are going in for what they should have gone in for many years ago, better highways in the rural parts of the country. That is one part of the problem which should be solved. I know our friends will tell us that it is the fault of the Senate that the Highways Bill was thrown out. Well the Senate will have to defend itself. I am not here to defend the Senate; I have not even the right to mention it; but I think the Government of the day should take a broader view of the situation, should consider the interest of the farmer and not the interest of the party. If the Government of the day—and I do not wish to question their sincerity—were really anxious to help in the construction of highways in the parts of the country where they are most needed, I think that another means could be found to improve the highways even before they obtain their ambition, if it is their ambition, of securng a majority in some other place. We were told at Confederation that the other House would never be partisan. It would be a court of appeal where there would be no partisans, a superior body not to be tainted by any of the partisanship found in the House of Commons. But till the political complexion of the Senate changes, this Government is giving no assistance whatever towards the construction of these highways.

These highways are linked up with agriculture, they are linked up with railways. We have spent, I would not like to say offhand how many millions in this country for the construction of railways, and we are not through with their construction yet. We have guaranteed bonds for I do not know how many millions, and we are not through with guaranteeing bonds. The railroads will be back again, they will come back again and again; as long as this House and public opinion in this country are willing to vote subsidies to railways they will come back and ask for subsidies. But a public opinion is being rapidly formed in this country. The Canadian public are now a reading public; there is a large independent population in every riding in Canada that is beginning to do its own thinking. The people are reading the newspapers; they see the returns day by day of what is going on. They see that Canada in the earlier days gave assistance to railways when railways were imperative, when without railways there would be no backbone to the country and practically no progress. But the time has now come when a halt should be called upon subsidies to railways, except those railways which are built in parts of the country where an ordinary railway company could not be expected to build, as, for instance, the Hudson Bay district. But the time for subsidizing the ordinary railway in the old settled parts of the country should be at an end. If I plead to-night for a subsidy for this railway bridge, I pleaded for it because I want this railway bridge to form a part of the Intercolonial system belonging to the country.

I think that the Government should rise to the occasion and find some means of helping in the construction of highways and not let us wait until the hand of death swoops down in another place to give a majority to one side or the other. The people want these highways. They want them opened particularly in the poorer parts of the country. In the old parts of Ontario much progress has been made, but in the northern and eastern parts of that province there is still much to be done, and in Quebec a great deal must be done. We have in the Gaspé peninsula, in Bonaventure and Gaspé, a highway skirting the sea shore. Fortunately the breezes from the ocean dry up this road after every storm and we have a passable road. We used to have in the old days a highway built by the military authorities of this country up through these counties, but it has been practically abandoned because it is not attended to. We also have the Matapedia road following the Matapedia valley from Ste. Flavie to Cross Point opposite campbellton, built by the old provinces of Canada and for some time maintained by Canada. It is now in such a condition that it is hardly passable, for the reason that there are parts of the road which pass through unorganized territory where there is no one to look after it. The province has no jurisdiction, and the Dominion seems to have washed its hands of the whole business of this same highway, 212 miles in length from St. Flavie on the St. Lawrence down to Cross Point, opposite Campbellton. It is now in such a state that at certain seasons of the year it is impassable. The hon. member for Rimouski has taken the matter up with the present Administration, as I did with the last Administration; and I hope he will be successful in directing the attention of the Dominion authorities to a state of affairs which should not be allowed to exist. The Matapedia valley is probably the section on the Intercolonial that has developed most in the last twenty years. When Sir Sandford Fleming used to walk up and down the Matapedia valley on his snow-

shoes trying to find a location for the Intercolonial there was the house of Dan. Fraser at Cross Point, a shanty or two farther back, and all the rest was a wilderness. Now there are twenty-five stations on the Intercolonial through the Matapedia valley and the railway is giving splendid service; it is being improved and has done a great deal to develop the industries all along the Matapedia valley, but the highways have been abandoned completely. There you have a highway partly through municipally organized territory, and partly through unorganized territory, a highway built by the old province of Canada and maintained by Canada for many years; but for want of proper supervision it has fallen into decay and these farmers have not even the ordinary facilities of reaching the market, either at Rimouski or at Ste. Flavie or Campbellton.

Before we had this bridge at Matapedia if a farmer wanted to take his products over to Campbellton, he had to wait for low tide and wade across or take them over in a scow, as was done in the days of our grandfathers. These are some of the conditions that exist in the rural parts of Quebec, and which should be looked into by the Government. The time has come for us to help the farmer. We have done enough for railways, they are able to look after themselves. I think my hon. friend from South York (Mr. W. F. Maclean) will agree that the Canadian Pacific railway has done remarkably well. To-day it is one of the greatest concerns in the world, and in that respect is a credit to Canada. We are all proud when we go abroad of having such a big concern in Canada, although if it keeps on growing I do not know to what proportions it will reach. And there are other concerns like it in the Dominion. The duty of the Government now is to help the common people, to get back to the country districts, and to let the manufacturing people look after themselves under the tariff which they now have. If that tariff needs a little attention now and then, it should not be modified for party purposes or to help combines, because they can help themselves. Let this Government become at last a Parliament of the people. It is a Parliament elected by the people for the purpose of looking after the wants of the people. Let the farmers have all the assistance and education that they need. In thousands of places, but for the existence of the small post office, the farmer would not even know of the existence of the Dominion Government. He has no advantages and no facilities, and no help of any kind is given to him. Agriculture, like everything else, should be taught to the people. It is true we have an experimental farm at Ottawa, and if a man can afford to pay railway expenses to come here and see what is being done at the farm it is all right. But do you expect the ordinary poor farmer, who may have to work like a slave all the year round to amass three or four hundred dollars, to come up here to see what can be done with money? He would say if he saw the experimental farm at Ottawa: Yes, I could do the same thing if I had money. We should demonstrate that these things can be done by the ordinary farmer in his own district on a small scale; that such and such a soil is suitable for such and such a crop. We should have these demonstration farms instead of armouries. I am not in favour of armouries and I am glad to say that in the constituency I represent there is not a five-cent piece expended for military purposes. I made an attempt once to organize a rifle club in my constituency, but my people are mostly sportsmen, and they said: When we go shooting we do not shoot at targets; we shoot at the moose, the lord of the forest.

Mr. W. F. MACLEAN: The member for Calgary (Mr. R. B. Bennett) had better look out.

Mr. MARCIL: They shoot the moose and catch the salmon. The Restigouche salmon is well known, but the fishing on that river is leased by the most exclusive club in North America. Forty New York millionaires have fishing rights on the Restigouche. They have admitted three Canadians to the club: the late Lord Strathcona, Sir Montagu Allan, and the late James Ross. These people come down there and fish splendidly. They spend their money freely; they employ guardians and overseers to protect the fish, with the assistance of the Marine Department; but the poor farmer has not a chance to catch a single salmon in that river. The river is leased just as they are in England and in the old countries of Europe.

There is no inducement to stay on the farm. A farm should be a pleasant place to live in and should be easy of access. There should be good country roads. We often speak of Bonaparte as the great mili-

tary conqueror, the great legislator, but to my mind one of the greatest thing he ever did was to give France those great state roads which are the admiration of all who visit that country to-day, and are second not even to those built by Julius Ceasar. The beautiful roads we see in England, France and the old countries of Europe do not exist in this country. We have spent our money on railroads, but the time has come to spend it on highways, and to give assistance to agriculture. This Government will make a huge mistake if it stands on technicalities, if it says to the people: We were anxious to improve your roads, but the Senate interfered with our purpose; they amended our Bill, and consequently we cannot do anything for you in that matter. I think that would be a very poor defence.

I will close by saying a word for the fishing industry in my constituency. Besides lumbering and farming we have the magnificent Baie des Chaleurs, which is teeming with fish, but we have no facilities. According to the report of the Department of Marine and Fisheries which I have here, fewer men fished in the gulf of the St. Lawrence last year than ever before. Several reasons are given for that. If I refer to the subject it is because it is related to the cost of living. If we wish to reduce the cost of living in cities we must send the food to the people and food comes not only from the earth but from the sea. We have the sea practically at our doors, but the Baie des Chaleurs fish is hardly ever seen in the city of Montreal except in a salted down state. I have almost taken upon myself never to eat any fish except what I eat at the seashore, because I like to keep in mind the taste of that fish. If the people of the cities would acquire the habit of eating salt water fish an immense trade would be created at once. The trade would be beneficial not only to the locality which I represent but to the whole of Canada. The railroads and all parts of the country would benefit by it. Dr. Wakeham, inspector of fisheries, who has been at the head of the gulf fisheries for the last thirty years, calls attention to one or two things in his report. Outside of the mackerel caught at the Magdalen islands, cod and herring are the two chief fish caught in that district. Mr. Wakeham calls attention to the fact that the whale industry which has arisen at Seven Islands has prevented the small capelin from coming into the gulf; and as the cod follow the capelin schools they did not come inshore and the cod fishing in the gulf of the St. Lawrence and the Baie des Chaleurs where the whaling industry is carried on had to be abandoned in July and August. The whaling industry may be important but it is not so important as the fishing industry. And that is one of the questions that the Department of Marine and Fisheries should look into very carefully, because fish is an important food which should not be neglected or allowed to disappear.

Regarding the herring, an attempt was made by a former Minister of Marine and Fisheries to introduce the Scotch method of curing herring in Canada, and Mr. Cowie was brought over from Scotland with a staff to introduce proper methods of curing and packing herring so as to get it upon the market in good condition. The examples that were given were certainly very interesting, and, had the methods been followed out, a great improvement would have been made in the herring business. But, unfortunately, the fishermen did not benefit as they should have done, and the careless way in which the herring has been handled has been more or less destructive to the industry. Commander Wakeham calls attention to this again in these words:

> Herring were very abundant all through the season, and on the coast from Cape de Rosier to Matane, where the cod fishery failed, the pack of pickled herring was unusually heavy. Unfortunately this fish is so carelessly cured, that the returns to the fishermen from it were small. The market for this fish, which in our case is Quebec, became glutted. The common soft wood barrels, with only a few wooden hoops, in which herring is packed, won't stand handling. They will not hold the pickle, so that much of the pack got rusty, and bad, and had actually to be thrown away. This is an old story in connection with our herring fishery.

I hope that the present hon. Minister of Marine and Fisheries (Mr. Hazen), being a Maritime province man, will take particular interest in this matter and will have a system of inspection organized on somewhat the same lines as the system of fruit inspection carried out by the Department of Agriculture. Why could we not have an inspection of the packing of the fish so that any fish that leaves a particular locality for the domestic, American or European market will bear the certificate of the inspector that it has been properly put up in order that it may not bring discredit upon the Canadian fishing industry. If one barrel of herring, or any other kind of fish faultily packed, goes into the United States or into western Canada, it is sufficient to destroy the whole industry. Very important progress has been made

regarding fruit, and I think that a new inspection system should be organized with reference to fish. I think we should pay more attention to our fisheries than we have done in the past. We are neglecting these things, and I do not think we should do so.

I shall conclude these very disconnected remarks by summing up in a few words the position I have taken from the start. I am prepared to give the Government credit where credit is due. I am prepared to call attention to what I think are their faults and shortcomings. What is the position of their followers? I know that the system of party government we have here will induce many men to do many things. Many men will under any circumstances support the measures of the Government; there are some exceptions, but they are not numerous. Governments, like men, are mortal, and they make mistakes. A number of mistakes have been made already, but some of these mistakes might have been prevented. While this Government has the confidence of the Canadian people, which it has as long as it remains in office, it should be up to the requirements of the times, and it should be prepared to face the conditions by which we are confronted to-day—conditions which are serious by reason of the number of unemployed in our large cities, serious by reason of the number of farms which have been abandoned, and most serious of all because of the way in which the cost of living is affecting the industrial classes in the cities. I have it on the authority of people who take an interest in charitable work in the city of Montreal that during last winter many, many families never had any meat at all except what was given them by charity. When we know that a workingman has to pay twenty or twenty-five cents for a pound of beef that he could get a few years ago for ten, or twelve, or eight cents, we must realize that the state of affairs is very serious. The cost of living has gone up almost beyond conception. Those who are poor and those who have to struggle for their daily living, those who have to bring up large families, are almost in despair. The condition is such that the Government should take radical measures to bring about a change for the better and any measure that can be taken for the purpose of bringing back a condition by which we shall have a nation of producers rather than a nation of consumers should meet with the hearty approval and co-operation of this House.

Mr. H. B. MORPHY (North Perth): Mr. Speaker, I rise for the purpose of saying a few words in this Budget debate, and in so doing I must confess that I feel somewhat disconcerted by the smooth manner in which the hon. gentleman (Mr. C. Marcil), who has just taken his seat, has contented himself with talking despair. The hon. gentleman seems to be more or less infected, as indeed have been most hon. gentlemen opposite, with the spirit of gloom and woe. At one time, when the hon. gentleman was in the midst of his gloomy and despairing remarks, I could almost see him standing in the entry to this country and crying: Woe, woe, betide ye souls who dare enter here; this is no place for you; we have sunk into the slough of despondency; this is no place for any man to come from any other country in the world; we are at our very wit's end how to live; there is nothing but despair here; I am going to leave the country myself. I do not think I have listened for a long time to an hon. gentleman possessed of such splendid attainments as the hon. gentleman who has just taken his seat speaking so long in that spirit of despair when he knows in the bottom of his heart that there is a splendid, live, virile Government at the helm that will soon pull this country up to where it ought to be, notwithstanding the slight check which it has suffered in the past.

Before dealing with anything else that the hon. gentleman has said, I desire to congratulate my hon. friend the Minister of Finance (Mr. White) upon the splendid presentation which he has made of the Budget, of the financial condition of this country and of the means and methods that he and his colleagues propose to adopt as the line of policy for the future well-being of Canada. I do not intend to take up very much time in speaking on the question before the House and in what I do say I shall endeavour to hold closely to such matters as I think appertain to the debate in which we are engaged.

The first point that I am going to touch upon is what is known as the high cost of living, and in connection with that, I desire to compare the cost of living of the Canadian workmen with the cost of living of the British workmen, the cost of living under what is known as a protective tariff

in Canada, as compared with the cost of living under a free trade or free food fiscal policy. That is fair and germane to the subject at issue.

I have taken the trouble to secure some figures in relation to the subject just mentioned. I have taken the rates of wages of various trades common in the city of Stratford, in the county of North Perth, which I have the honour to represent, and the rates in the same trades throughout England, using average wages. The figures in both cases I have had prepared for me by the Department of Labour of this Government, and I accept them as accurate. So far as the Canadian figures are concerned, I know that they are under rather than overstated. Let us see in what position the workingman in cheap-food England stands in regard to what pay he gets, compared with the same kind of man in the Dominion of Canada under a protective policy:

Predominant Rates of Wages in certain Trades in England, 1912.

Building trades.

	Per hour. d.		d.	
Bricklayers	8	to	10	
Masons	8	"	9½	(16c. to 19c.)
Carpenters and joiners	8	"	9½	"
Plumbers	8	"	9½	"
Plasterers	8	"	9½	"
Painters	7	"	9	
Bricklayers' labourers	5	"	6½	(10c. to 14c.)
Masons' labourers	5	"	6½	"
Plasterers' labourers	5	"	7	

Furniture and woodworking:

	Per hour. d.		d.	
Cabinet makers	8	to	9½	(16c. to 20c.)
Finishers	8½			"
Carvers	9½			"
Upholsterers	8	"	9½	"
Woodcutting machinists	8½	"	9½	"

Engineering and metal.

	Per week. s.	s. d.	$ cts.	$ cts.
Boilermakers	40		(10 00)	
Fitters	35 to 37		(8 50 to	9 00)
Turners	35 to 37		(8 50 to	9 00)
Patternmakers	37 to 40	6	(9 25 to	10 12)
Iron moulders (sand)	38 to 40		(9 50 to	10 00)
Blacksmiths	—	36	(9 50)	
Machinists	—	40	(10 00)	
Labourers	19 to 22	6	(4 75 to	5 60)

Printing trades.

Compositors	30 to 35	(7 50 to	8 75)

Current rates of wages obtaining in Stratford, Ont., in the following trades:

	Cents per hour.	Per day.	Hours.
Building trades:			
Bricklayers	40	$4.00	10
Masons	45	4.05	9
Carpenters and joiners	35	3.50	10
Plumbers	35	3.50	10
Plasterers	40	4.00	10
Painters	30	3.00	10
Builders' labourers	22½	2.25	10
Furniture and woodworking trades:			
Cabinet-makers	27	2.75	10
Finishers	27	2.70	10
Carvers	27	2.75	10
Upholsterers	30	3.00	10
Machine woodworkers (band sawyers and turners)	30	3.00	10
Labourers	20	2.00	10

Metal trades:

	Cents per hour.
Boilermakers	22 to 33
Pipe fitters	20 to 30
Blacksmiths	20 to 29
Machinists	22 to 33

Printing trades:

Compositors (hand) $13.00 per week of 48 hrs.

I could go over the whole range of industrial life, and show that the artisan in the Dominion of Canada under the present policy is getting a substantial wage which will enable him to live well and put something aside, while the wages paid in Great Britain on the cheap-food plan. In western Ontario the mechanic, who is a any labouring man who wishes to live decently. Hon. gentlemen opposite desire to bring us to the same position as Great Britain is in on the cheap-food plan. In western Ontario the mechanic, who is a thinking man, has the idea that he likes good wages and steady work. His argument is very terse, when some of these advocates of free trade or reciprocity come to him. He says: I want work and continuous work; at good wages; I am an industrious man, and, in getting that work with good wages, it makes no difference to me whether bread costs three cents or seven cents a loaf, so long as I am well paid for my work; I will live according to my pocket, but I cannot pay one cent a loaf for bread if I am out of work and have no wages. I invite hon. gentlemen opposite to come to western Ontario and talk free food to some of our artisans. They will find that they are in the wrong stall and that there is nothing doing along that line.

With regard to what it costs an artisan to live, I have here a table which I desire also to place upon 'Hansard'. It includes the items: steak, mutton, fresh pork, tea, sugar, bacon, eggs, cheese, butter, potatoes, flour, bread and milk. The figures given are the retail prices in London, England, for the month of October, 1912, and the retail prices in Stratford, Ontario, for October, 1912, October, 1913, and April, 1914.

I cannot give the figures of 1913 and 1914, for London; they have not been collated, at

all events, in the reading I have gone through. I take the quantities as follows: Steak 4 lb., mutton 2 lb., fresh pork 2 lb., tea ½ lb., granulated sugar 6 lb., bacon 1 lb., eggs 2 doz., cheese 2 lb., butter 3 lb., potatoes 2 pks., flour 10 lb., bread 15 lb., milk 6 qts. Running those quantities through both tables, I find that the workman in Stratford, Ontario, would pay for the month of October, 1912, $5.71 a week; for the month of October, 1913, $5.71; and for the month of April, 1914, $5.82. Now, in London, for the same quantities on the basis of British prices the British workmen would pay $5.46. In other words, the British workman gets his living just a little cheaper—twenty-five or thirty cents, possibly forty cents a week less than the Canadian workman; but the Canadian workman earns from $4 to $12 per week more. That is the position of the workman in Great Britain with free food and free trade on the one side and the workman in Canada on the other side. So I fancy the Conservative party and hon. gentlemen on this side of the House will be quite willing, having regard to these facts, to let our friends on the other side of the House come along with their free food policy.

Mr. Speaker, one is almost in nubibus—in the clouds so to say—when in a House like this, after the Finance Minister has brought down his Budget and set forth the policy of the Government plainly and squarely, that Budget is debated two weeks in this House with an amendment promised by their financial critic, the hon. junior member for Halifax (Mr. Maclean) showing what the policy of hon. gentlemen opposite is; and not a word of it, not a sound yet as to that policy. What is the matter? Cannot they agree over there? Is the free trade wing of our hon. friends opposite getting the best of them,and somebody else gone into sulk? What is their policy? Surely, in no other parliament in the civilized world can you find the state of affairs you see exhibited here. Our friends opposite claim to be ready to tear down this Government, and promised at the beginning of the debate an amendment setting forth their views; and yet, though their leaders are here and their speakers are up, they do not tell us what that policy is—at least, no two of them give it the same way. There is a complete mixture of opinion, as I should like to show. Yet, at the base, I believe, they convict themselves of being a protectionist party. The hon. member for Rouville (Mr. Lemieux) has shown his colours, like the astute politician he is. He believes that it is right to take the people into his confidence, and he has done so. But his leader has not done so, and neither have many other gentlemen opposite. Let us see where these hon. gentlemen stand. In the first place, the hon. junior member for Halifax (Mr. A. K. Maclean), who is reported at page 2594 of 'Hansard,' said:

Therefore, I say that the proposition that the placing of food-stuffs upon the free list necessarily means the adoption of free trade, is untenable and absurd.

I agree with that; I do not think it would be fair to say that that alone would be an adoption of free trade. He adds:

I do not propose pursuing my argument further upon this point.

So, that hon. gentleman is for free food. I do not know that, living where he does, he could very well come out as some of the western members do and say: I am opposed to protective duties. I am not sure that that would go very well in Halifax. I am sorry the hon. member is not in his seat. But perhaps some day he can explain just how he would be received among his constituents, if he favoured free food, free agricultural implements, and free wheat, and did not care whether there were protection at all or not. I can imagine that a number of people in Halifax would be calling upon the hon. gentleman to tell him where he got off at at the next election. He went on:

Economically our position upon this question is sound. I believe it is in the interest of both the producer and consumer.

Here is the same old thing—telling the producer that he can get better prices, and telling the workman that he can get his stuff for less. They tried to explain that in the reciprocity campaign, with the result that everybody knows. It is an impossible position, and hon. gentlemen opposite know that it is impossible. Apparently the hon. junior member for Halifax has forgotten the trimming his party got owing to their failure to explain that, and he goes back to reciprocity again. He is willing to expose the farmers of Canada to the competition of the world, while the farmers of Canada, on the other hand, stand largely for a policy of protection to their home market and protection to the industrial life of the country as well, which makes for the home market. The hon. member for Assiniboia (Mr. Turriff) is reported at page 2622 of 'Hansard' as saying:

How is it going to hurt the manufacturer if you give the farmer free wheat? How is it

going to hurt the manufacturer if you secure a free market in the United States for the farmer's oats, barley and flax?

The hon. member for Assiniboia is therefore a reciprocity free trader; he eliminates the idea of protection entirely, and in that way does not agree with many of those on the other side of the House. He is a reciprocity free trader with the sectional tinge of the West. The hon. member for South Cape Breton (Mr. Carroll), as reported at page 2648 of 'Hansard,' is also in favour of free agricultural implements, free food and free wheat. He is willing to open up everything to perfect freedom—except that he raises his hands to heaven and says: For God's sake do not touch the duties on iron and steel products, because I live in South Cape Breton and we have very large interests there. He scolds about it, and will not listen to any proposal to take away this protection. I do not blame him; I think he is right. But he ought to be over here. His reason for sitting on the other side of the House, I suppose, is perversity—pure cussedness, as the boy would explain it. He has no business over there, and any man who talks as he does has no business over there. He goes further than many hon. gentlemen opposite. I suppose his people will like that. What people? These big interests they talk about as having some influence over here. But I do not know how the farmers will like it. He says he is in favour of the most drastic kind of protection bounties. This free wheat, free implement, free trade advocate of the public right wants to shackle the people of the eastern part of the province of Nova Scotia, not only with a tariff, but with drastic bounties. He says at page 2650 of 'Hansard:'

But what about the small manufacturers of nails, outside of the Dominion Steel Company and the company at Hamilton? The Minister of Finance holds a bludgeon over the Dominion Steel Company at Sydney and over the steel corporations of Ontario, and he says to them in effect: if you do not sell your wire rods to the small manufacturers of nails at a reasonable price, or at the price they were getting them at heretofore, we shall cut you out and remove the duty.

The Minister of Finance has said to these big interests: 'You have to be fair to the smaller manufacturers of this country—and, through them, to the people of this country—so that they can sell their wares at honest prices.' The hon. member for South Cape Breton complains because the Minister of Finance has had the nerve and the splendid courage to take that decided stand in the interests of the people of this country. The hon. member for Rouville (Mr. Lemieux), with that candour of which I have already spoken, has stated his position very frankly. At page 2686 of 'Hansard' he is reported as saying:

If we were to accept the traditions of good old England, we would accept the gage of battle; we would stand for free trade, because free trade has made England what it is to-day. But we live in America and we have to follow the traditions of the American continent. We cannot have free trade in this country. We are wedded to a system of moderate protection as long as we raise our revenue by way of indirect taxation.

The hon. gentleman says that he speaks only for himself; of course the hon. member for Westmorland spoke only for himself when he said that he was an out and out free trader—and these gentlemen are of the same party, and sit on the other side of the House. The hon. member for Rouville goes farther and says:

I am a moderate protectionist. I say that protection must exist in our country as long as we have to raise a revenue by way of indirect taxation. We cannot have free trade as they have it in England.

The right hon. leader of the Opposition went to the country on that policy; he said that we could have free trade as they have it in England. It is most delightful to observe what a happy family our friends on the other side are, and how well they agree. But when the matter goes to the country we will see what the voters think after they settle down seriously to consider the policy pronounced by hon. gentlemen opposite, which I take to be free food, free agricultural implements, free wheat, and, according to the hon. member for Assiniboia, free oats, barley and flax, and any other little free things anybody in the West wants.

The cry of the hon. member for West Kent (Mr. McCoig) is free corn and reciprocity. As for the hon. member for Wright (Mr. Devlin), no living person can tell what are his views upon the fiscal policy of Canada. He has a policy all his own. He says that the Government ought to make agricultural colleges free, furnish the books free, give the farmers' sons free instruction; assist farm labourers to migrate from one part of Canada to another, keep the land of Canada for the Canadians, lend money to the farmers at 2 per cent, assist labourers to build cottages, &c. The hon. member for Wright is playing with his constituency; he is under the barn himself as far as his views upon the fiscal policy of the country are concerned.

The hon. member for Huntingdon (Mr.

Robb) spoke in this debate, and, as reported on page 2742 of 'Hansard,' he hits straight from the shoulder. One admires the honesty of the hon. member for Huntingdon; I say this in all seriousness. You can see the honesty beaming out of his language. He says:

Under the policy of 1911 the millers of Canada could have gone down into Kansas, Michigan or Ohio and bought wheat; and this would have been of special benefit to the Ontario miller right at this season.

The hon. member for Huntingdon is willing to rob the Ontario farmer of his wheat market and turn it over to the Yankees of Ohio and Kansas. He is willing that Canadian wheat shall go into the western portions of the United States and that the Americans shall come into Ontario and take away the market of the farmers. I have not heard an Ontario farmer complain, they are not of the complaining kind. They are not worrying; they, in common with every other industry and occupation, have had their difficulties, but they have not been whining very much. The hon. member for Huntingdon, however, being a miller, has thought the matter over and sees a way of getting the best of the Ontario and Quebec farmers. Being a miller, he disregards his trade policy and he does not forget the idea, put forth by hon. gentlemen on this side of the House on his behalf, that we should make of Canada a great milling country—the flour bin of the world; but the hon. gentleman would do it on Yankee wheat. I do not see how a manufacturer or miller can be so selfish as the hon. gentleman has been. It has been argued that the free entry of United States wheat into this country would ruin the Canadian millers; the hon. member for Huntingdon endeavours to prove that free wheat would be their salvation. Being a miller, he wants to see American wheat come into Canada to break the price of the Canadian farmer's wheat in Ontario, and Quebec. I myself can see a good deal of force in the argument that it would break the farmer's price at times if the 150,000,000 bushels of wheat that the American people send out every year were lying alongside of the border in elevators ready to be shoved into this market if the farmers of Ontario and Quebec were deprived of that protection to which they are so much entitled.

The hon. member for Medicine Hat (Mr. Buchanan) is one of the fairest members of this House. He says:

In 1911 if the manufacturers of this country had had the right kind of spectacles on they would have realized it was to their advantage to support reciprocity because it would have met the demands of the western farmer and have appeased him.

Made him be a good boy, made him pleasant and nice, so that he would not give sauce back.

Would have appeased him and manufacturers would not have been very much injured if at all.

Now, that is a nice view. The hon. gentleman from Medicine Hat says in so many words that the manufacturers, the managers of industrial concerns, are incapable and know not what they need; but he fixes a policy in the twinkling of an eye, right here on the floor of the House, having thought it over for a long time. He says the manufacturers were fools that they did not take reciprocity. The hon. gentleman expressed himself a convert to mixed farming, and is therefore a western farmer free trader. He honestly expressed the view that the West is a section that ought to have one policy, although the whole of Canada had another. You see the calibre of the hon. gentleman from Medicine Hat in that remark; he is willing to have a policy for the West and let all the rest of Canada have one of their own. He said at page 2763:

I am candid enough to admit that, as long as there is a sentiment in this country that our industries cannot exist without a certain amount of protection, we should have a certain amount of protection.

The member for Medicine Hat is a protectionist sectional free trader.

In regard to the other members to the left of the Speaker, I have not been able to follow carefully all of their addresses, but I find as a general result of the investigation that we are drifting in Canada along the lines of sectionalism as the outcome of the localized desire of members of the House to speak on behalf of their own constituencies or on behalf of a section of this country. As a Canadian, I rather deride that attitude. I have no right to condemn any man, but I have the right to my own opinion and I feel that the Canadian federation was launched on the basis of a confederation of provinces and is deriving its revenue on the basis of indirect taxation. I can understand, as the hon. member for Westmorland (Mr. Emmerson) put it, and put it well, that that fact cannot be got away from. The hon. gentleman put it in this way at page 2777:

I am an out-and-out free trader, and I wish circumstances permitted the adoption of free trade. I am to-day where I have always been. This Canadian Confederation was launched on the basis of indirect taxation; I quite understand that, and we have continued that policy. But if you could change the policy of indirect taxation and adopt a direct tax, then indeed you could have free trade. Speaking for myself, if a plan were proposed which would actually bring that about, I would hold up both hands for it.

The hon. member for Westmorland is a protectionist free trader. He would abolish the customs duty and place a direct tax upon land; but since he finds that impossible there is nothing for him to be but against the Government, and he is now in the same line, although in a different way, with the hon. member for Humboldt. The fiscal policy of both is largely that they are against the Government, except that the hon. member for Westmorland would take another dig at the farmers of this country, and place all the taxation to raise the revenue of the country, upon land, in which case the farmer would be the heaviest taxpayer and the millionaire would escape, the duty would be taken off all his luxuries. The farmer who cannot get away out of the country with his land would come under the benign sway and influence of direct taxation, according to the hon. member for Westmorland, who professes to be such a great friend of the poor, downtrodden farmer.

I have never before had the opportunity to listen to so many men speaking on one subject as in the last two weeks; but I must say it looks like an opposition unorganized, without a leader, everybody getting up and opening his mouth and letting it say just what it pleases. There is no method, there is no unanimity, there is no logical basis, there is nothing. The hon. gentlemen talk about their policy, but they hold it back, they are frightened to bring before the Canadian people the amendment which they promised, leaving it over in the hope that something may develop before the debate closes, when they can get down, choke off the western fellow who wants free trade and all get into one happy family with the doctrine of protection covered with the doctrine of free food for the workingman, free trade in wheat for the western man, coupled with free oats, free barley, free flax, and free everything that they think will bring them in a vote here and there. That is their policy, and it does not seem to be up to the standard of the once great Liberal party.

A great deal has been said about western Canada. Arguments have been put forward that to my mind are seriously to be deplored. The trend of these arguments is towards disintegration, disunion. The general feeling of the Ontario members of the House on both sides is, I believe, that we are sharers, and proud of being so, in the great heritage of the western provinces. It is as much ours in a sense to be proud of, as it is theirs who occupy the land. It is a land fertile, a splendid prairie section where splendid grains are grown, settled with a splendid people who are above the standard of the men who represent them in this House as far as wailing is concerned. You ask the average man in the western provinces how he is getting on and he will say he is doing fine, that it is the best country in the world. He will admit that they have had a little set back in real estate and that things are dull just now, but if you ask him if he would care to come to eastern Canada, he would say: Never, you are not in it, the West is the place for me. The people of the West are full of optimism, and it is a fine spirit, a national spirit, a building-up spirit. But what different language do we get in the House from those representing those people, one continual whine the whole session; and I suppose that will continue as long as life lasts unless the parliamentary opinions of the people of the West change. A member listening to the debate must wonder whether or not there is justification for what members from any part of the Dominion say with regard to their province. I had been taught to believe that the western provinces were practically the great wheat growing country of the world. Let us see what are the great wheat producing countries of the world, because I think every one should be conversant with the facts. They are: Germany, Spain, France, Hungary, Italy, Russia-in-Europe, Russia-in-Asia, Canada, the United States. India and Argentina. Here are the figures of wheat production for 1912 and 1913:

Country.	Area.		Production.	
	1913.	1912.	1913.	1912.
	Acres.	Acres.	Bushels.	Bushels.
Germany	4,878,000	4,759,000	171,077,000	160 226,000
Spain	9,414,000	9,625,000	110,098,000	109,784,000
France	16,170,000	16,239,000	322,731,000	334,342,000
Hungary	8,650,000	9,581,000	166,675,000	184,642,000
Italy	11.842,000	11,751,000	214,407,000	165,721,000
Russia-in-Europe (a)	62,070,000	60,666,000	837,787,000	623,761,000
Russia-in-Asia (b)	13,103,000	10,729,000	138,003,000	103,270,000
Canada	11,015,000	10,997,000	231,717,000	224,159,000
United States	50,184,000	45,814,000	763,380,000	730,267,000
India	29,569,000	31,141,000	358,389,000	370,514,000

That shows exactly where Canada stands in relation to the wheat-producing countries of the world. In face of those figures I do not know whether the time has come when we should boast of our wheat production, and I do not believe that it is worth while spending so much of the country's money running down present conditions just for the sake of wheat. I look forward to the time when, in addition to a greater quantity being raised in our splendid western provinces, there will be an improvement in the quality; because I find, much to my surprise and mortification, that Canadian wheat is not the high priced article in European markets that I thought it was. I had thought that the western wheat was a splendid cereal that beat them all. Some western members look in wonder that I dare make such a statement; but I have here the prices of colonial and foreign produce in British markets for 1913 and 1914:

	(Per bushel.)		
Canadian No. 1	$1.05⅞	to	$1.06⅝
American Spring No. 1	1.06	to	1.07⅝
Australian	1.10⅛	to	1.11⅝
White Bombay	1.14	to	1.14¾
White Calcutta	1.13⅜	to	1.14
White Karachi	1.11⅛	to	1.11⅝
Red Karachi	1.10⅛	to	1.11⅛
Argentina	1.08⅞	to	1.10⅛

I do not wish to weary the House by giving all the figures. The point I wish to make is that we have been led to believe that western wheat was king in the markets of the world; but I find that we have a great deal to do in improving the quality of our production before we can be considered in the same class as a lot of the nations that are competing in the markets of the world. I regret to say that, but it is well to know exactly where we stand.

[Mr. Morphy.]

I wish to say a word or two about the imports of wheat into the United Kingdom. It imports 200,000,000 bushels yearly. How much do we send? Canada sent just one-fifth. The United Kingdom takes one-fifth from Canada, one-fifth from British India, one-tenth from Australia, one-fifth from the United States and one-seventh from the Argentine republic. Notwithstanding the low price of Canadian wheat we send in relation to other countries just about the same quantity, probably a little more than some countries in relation to area. It is not well to boast about what we can do as a country until we can do a little better in the markets of the world. Our market is undeniably there. According to the theory of the hon. member for Huntingdon (Mr. Robb) every pound of Yankee wheat that goes into the Ontario miller's hands shoves a bushel of Ontario wheat to the British market. That is a displeasing fact no matter which way you take it. So long as Liverpool and London rule the wheat markets of the world just so long we shall have to look to our laurels; and before boasting too much we should improve the quality of our wheat. We need to roll up our sleeves and go to work, realizing that after all the government of any country can only do so much, and that everything depends upon the industry of the people. Let me give an illustration in regard to industrial life in my own county. In the county I have the honour to represent we have a large industrial community engaged in various industries. Thousands of workmen are employed in the Grand Trunk shops and train services and hundreds of workmen in the furniture and chair factories. There is a large piano factory and a large

furniture factory in the town of Listowel, and these last two factories worked overtime up to Christmas last year. What on? On pianos, a luxury, and on furniture, a necessity. They felt that trade was going to pick up. They did not sit down and whine, but they set to work as business men and had the best season in their history. They sold their pianos in the Maritime provinces in such large quantities that they had to work overtime. I think that the pessimism that is shown in this House and in the press is a great deterrent to the progress and development of this country. If we as Canadians gave up the pettiness of political partisanship and splenetic political utterances and set to work, Canada would once more resume its wonted sway, and our workmen under the aegis of fair-minded manufacturers, would have regular work.

We have heard a lot about what has not been done for the farmer. In my county there is a mixed community of labouring men and farmers. They each understand their mutual dependence upon one another. The farmer understands that if the mechanic is protected from the large industrial concerns in the United States, he will get good wages and be able to consume the farmers produce. They coalesce and work well together. What are the Government doing for the skilled labour of the country? At great expense they sent a technical commission to the principal countries of the world. This commission published a report which is full of valuable information. I have not the confidence of the Government, I do not know what they are going to do, but every indication leads me to believe that the report of that commission means that something will come out of the coffers of the Government to better the condition of the labouring man. Our industrial life is just as much the basis of our national life as agriculture is. I do not think it can be gainsaid that if the workingman was not here or somewhere else, the farmer would not have any place in which to sell his produce. The artisan is entitled to the fullest and most sympathetic consideration of the Government in any civilized country in the world. What is the result if he does not get that consideration? The other day, I confess it rather with mortification, I was requested to send a man to Stratford to speak to a class of apprentices in the Grand Trunk shops. An expert in industrial life was required to address the young men there along industrial lines. The only man I knew was Professor Robertson, and he was in Nova Scotia. I asked my friends to help me find a man to undertake this duty, but I was told that there was in the Dominion of Canada to-day no expert available to go out and talk to a number of young men and to teach them the higher mechanism and the higher morals of industrial life or to add anything to what these boys already knew. If you have an institution and attempt to govern it by the same body of men without introducing new blood and modern ideas, the thing is going to die. I see my hon. friend the Minister of Public Works (Mr. Rogers) before me, and I would ask him to pay particular attention to this at least. I would suggest that he should take up with his colleagues in a practical way the question of the great good that may spring out of the work of this technical education commission, that after proper consideration practical steps may be taken to carry out its recommendations. Instead of giving $1,000,000, let them give $5,000,000 out of the public treasury to better the condition of the industrial workers from the Atlantic to the Pacific, and if they do that there is no farmer in the whole Dominion that will say them nay.

Mr. ROCH LANCTOT (Laprairie-Napierville): Mr. Speaker, I have listened very attentively to what the honourable member for North Perth (Mr. Morphy) has said, and what I have found to be the most amusing part of his remarks is the quotation which he made of speeches delivered in this House by certain members of the opposition, namely by the hon. member for South Cape Breton (Mr. Carroll) and by the hon. member for Westmorland (Mr. Emmerson). He seemed to amuse himself with pointing out to you, Mr. Speaker, that we on this side of the House, were divided, the hon. member for South Cape Breton being in favour of a revenue tariff and the hon. member for Westmorland being an irrepressible free trader. He also alluded to my hon. friend from West Kent (Mr. McCoig). He quoted those three gentlemen as an instance of the would-be differences of opinion existing on the opposition side with respect to the tariff.

But, Mr. Speaker, I can only regret that the hon. member did not think it proper to scrutinize the views of the ministers now in power. He would have found that, during the campaign of 1911, there were great differences of opinion between those gentlemen. Does he know, for instance, that the Postmaster General (Mr. Pelletier) was against the present Prime Minister on

the question of the naval contribution? Does he know, also, that the Minister of Inland Revenue was opposed to that policy of his leader, and that the Secretary of State (Mr. Coderre) who travelled all over the province of Quebec during the summer of 1910 with several Nationalist members, had denounced not only the naval policy of Sir Wilfrid Laurier, but the very policy of his own leader, which, he said, was even more nefarious than Sir Wilfrid Laurier's? The hon. member, living in a glass house as he does, should not fling stones at his neighbour.

Mr. Speaker, I shall take advantage of the budget speech of the Minister of Finance for 1914-1915, to make a few remarks on certain changes effected in the tariff, especially as regards three kinds of agricultural implements: the mower, the binder and the harvester. The minister has announced a rebate of 5 per cent on those machines. I wonder, Mr. Speaker, if this rebate does enable our Canadian manufacturers to successfully compete against the foreign manufacturers. If so, why then did the minister not make a total reduction of the taxes on rakes, drills, harrows, ploughs, hay loaders, etc., all of which are bought by numbers, especially by the farmers of the province of Quebec? Wherefore I have no hesitation in saying that this small rebate of 5 per cent on the three articles which I have mentioned will satisfy nobody, because it is only partial, whereas it should apply to all articles wanted by the farmers. Why then has the rebate not been general rather than limited to such a small number of articles?

If our Canadian manufacturers are able to face foreign competition as far as those machines are concerned—and it is an established fact to-day that they are—then I fail to see why they could not victoriously undergo the same reduction in the tariff as regards the articles wanted by the farmers.

Let me state, Mr. Speaker, that far from being satisfied, the farmers of Canada shall persist in asking that the duties on such articles be completely removed, for the very simple reason that our Canadian manufacturers do face foreign competition to advantage in all the countries of the world. Why then should we, the farmers of Canada, be called upon to pay more for our implements than do the farmers of the European countries who buy those same machines from our Canadian manufacturers? Less freight is charged on machines used in our country than if they were shipped to

[Mr. Lanctôt.]

European countries, such as France, Russia, or Germany, and moreover, they are free of the import duty which is levied on the same kind of machines by those countries and by some others, and yet, irrespective of this, we pay from twenty to twenty-five per cent more than the European countries do.

I say, Sir, that if such treatment is meted out to us by our manufacturers, it is due to the protective system we have in this country, it is due to the barrier created by the imposition of a 20 per cent or 25 per cent duty in order to prevent foreign competition. I say that this barrier must be pulled down some day or other, because our manufacturers have enjoyed a protective tariff for thirty-six years at least, and it is fully time that the mass of the people should have their own turn, let this be said with all due deference to Senator Melvin-Jones, the president of the Massey-Harris Company.

Who are those who should have supported the reciprocity treaty in 1911? The manufacturers of farming implements especially, in my opinion, because they had enjoyed for thirty-six years a protective tariff, a tariff which enabled them to make millions out of the goods which fetched them all that money from the farmers of this country. When the Liberal Government, in 1911, asked the House of Commons to ratify a reciprocity treaty which they had negotiated with the United States with respect to the exchange of our natural products, who were they who struggled against us in order to prevent the adoption of that treaty? They were the manufacturers of this country, and more especially the manufacturers of farming implements, and they subscribed large amounts so as to ensure the defeat of the candidates who were in favour of that treaty. During the campaign of 1911 our opponents cried out on all the hustings: " If you vote in favour of that reciprocity treaty with the Americans, our markets will be submerged with all kinds of American products and we shall be able to sell our own products but dirt cheap." They talked to us of our cattle as an instance. But is it not a fact, Sir, that just after the barrier concerning our cattle was pulled down in 1913, it took us but four months to export to the United States 162,491 head of cattle, whereas during the same period of the preceding year, we had exported but 20,101, which makes a difference of 142,390 head more? Is it not also a fact that we have imported a great deal of hay since the tariff was re-

duced by one half, that is from $4 which it was in September, to $2 in October? And the same remark applies to several other lines of products on which the duties have been removed or a rebate of one half has been made.

The honourable Minister of Finance has declared a surplus of thirty-six millions and a half over and above the ordinary expenditure, and while presenting this side of the case he seemed to be fully satisfied. But, I would like to examine the other side for a few minutes. The honourable Minister told us that our public debt was less to-day that is on the 31st of March, 1914, than it was when he came to power on the 21st of September, 1911. This is what we are going to examine together, Sir, and just a few moments will suffice. Let us first go back to the early days of the present regime and take the fiscal year 1910-1911. During the session of 1910-1911 under the Liberal Administration only five-twelfths of the estimates were voted for the then current year, so that the expenditure was a good deal less than it would have been had we voted all the money called for in the estimates, and therefore the late Government was precluded from beginning a great number of public works in the whole country. It follows that the expenditure was less than it should have been if the whole list of estimates for 1910-1911 had been voted. As I said a moment ago, during the session of 1911-1912, the first session after the hon. gentlemen had come to power, the balance of our estimates was voted and few estimates appeared on the list of supplementary estimates for that session, and so we expended for public works of all kinds, during those two years, what would have been expended in just one year, had the estimates for 1910-1911 been all voted that same year. This has enabled the Minister of Finance to declare, in his budget speech for last year, a surplus of thirty-six millions and a half over and above the ordinary expenditure, and to finish the year with a surplus over all expenditure whether ordinary or extraordinary. But, unfortunately for the people of this country, the honourable gentlemen have inaugurated their administration but last year, and the new Government asked us then to vote them $250,000,000, thus setting aside such prudence as had been shown by the late Minister of Finance when he limited as much as possible the expenditure called for by the Administration of the country.

Times have changed to a great extent, Sir! In 1910-1911, the ordinary expenditure was eighty-seven millions. This year it is 126 millions and a half, which means a difference of thirty-nine millions more for the administration of the country.

Let us now take the subject of that expenditure. The militia will cost $10,938,905, and under the liberal rule it did cost but $6,658,300 for the year 1910-1911.

In 1913-1914, the expenditure on public works was $32,033,751. In 1910, we, Liberals, have spent but $10,000,000, which means twenty-two millions less. I do not hesitate in saying, Sir, that several of those millions are spent to no purpose. Let us take, for instance, the building of arsenals throughout the country. Millions are spent uselessly on those constructions which bring no revenue to the country, and far from it, they are even a source of expense, because there must be a keeper for each building, and all the buildings must be heated, lighted and cleaned, which requires soap, brushes and brooms; moreover, repairing of all description must be provided for, and this with no return to be expected for the country. Is it not a fact, Sir, that it will cost the Government ten times more to repair their buildings than it would cost a private individual to repair his own, and that the difference is intended for friends of the party in power?

Referring to the surplus of thirty-six millions and a half as represented by the Minister of Finance and to the public debt which the minister said was less to-day than it was in 1911 and left the present Government in a very satisfactory condition in this respect, I may say this: On the 21st of September, 1911, the net debt was $318,593,924.15, and the total debt $472,141,823.88. On the 31st of March, 1914, the net debt was $315,019,288.75. On the same date the total debt had gone up to $530,687,885.62, which means that our public debt was increased by $52,546,061.74 in two years' administration.

The interest on the public debt for the year 1913-1914 has cost us the fair sum of $13,179,913.01. For the current year the interest shall run up to $14,917,926.33, whereas for the year ending in 1911, the total interest paid on the debt was but $12,535,850.81, which makes a difference of $2,382,075.52 less under the Liberal rule.

Now, Sir, the minister may say that we have made investments, such as our loan to the Canadian Northern. Those investments are positively of no benefit to the country, and I am sure the hon. Minister of Finance is aware of the fact, for the

Canadian Northern got some help from this Government last year to the amount of fifteen million dollars, and rumour now has it that this company is trying to get another forty or fifty million this year. Should this be granted, that railway shall have got from the provinces and from the Government of Canada an aggregate amount of more than two hundred and fifty million dollars in the shape or form of subsidies and help. We have reason to believe that, in spite of this, the company will, from year to year, come and ask millions from the Government. Therefore, Sir, you will agree with me that those investments are hardly an advantage to the country. Here is how I consider such investments: Let us take a farmer who has a nice farm clear of debt, that is, a man who does not owe a cent, while his neighbours owe more than their farms are worth. That man borrows five thousand dollars, he mortgages his farm for that much and distributes the sum right and left to his neighbours, who are already indebted to the extent of being unable to face their own obligations. Several of those who have received the funds will never pay them back. However, he calculates these loans as part of his assets; but, Sir, he shall always be bound to pay the interest due on the debt which he has contracted, and as for those who have borrowed from him, if they come to fail, the assets which he had in the form of loans will vanish away and he will remain burdened with his debt. Such is the case of the present Minister of Finance. Several loans forming his pretended assets will never be refunded to him, and the country will have to pay the interest on his total debt and to pay that same debt some time or other.

I have read in the ministerial newspapers the report of an interview given by the hon. member for Argenteuil (Mr. Perley) to the journalists when he visited the Eastern Townships. The hon. minister without portfolio declares that the French Canadians feel enthusiastic and that they approve the Borden contribution owing to the explanations which he gave them off-hand. He concludes that this contribution to the British navy had not been understood previous to his visit during which he was accompanied by the hon. Secretary of State (Mr. Coderre) who, in 1911, had nevertheless preached quite a different doctrine in the county of Hochelaga and in the province of Quebec generally. One must add the name of the hon. member for Dorchester (Mr. Sévigny) who was no less severe towards his leader, Mr. Borden, during the summer of 1910 and the election of 1911 than he was towards his opponents.

I presume, Mr. Speaker, that the hon. ministers have told the electors of the Eastern Townships that, during the year 1913-1914, this Government got the House to vote $2,610,000 for the naval service, and for the current year, $2,410,000.

During the campaign of 1911, we, Liberals, were attacked by the candidates of the opposition on the ground that the Liberal Government had bought the Niobe and the Rainbow, and that those ships, as they said, were only good to be thrown aside and sold as scrap iron.

Has the Government respected the pledge taken at the time by his candidates before the electors? No, Sir, this Government keeps the Niobe in the harbour of Halifax and the Rainbow in British Columbia, with crews on board, crews paid by this same Government who, moreover, maintains the naval school of Halifax at which his friends are admitted as students, and the country spends about three million dollars to continue the naval policy of Sir Wilfrid Laurier through those who have denounced it on all the hustings of the country. At the beginning of the present session the hon. member for Montmagny (Mr. Lespérance) introduced a bill to repeal the naval law of the Laurier cabinet. I thought the honourable member was sincere when he introduced that bill; but, I must confess, Mr. Speaker, that I do not believe in his sincerity any more.

That hon. gentleman has left for Europe, his Bill will not be considered at this session and I do not think it will come up in the near future, judging from the stand taken by the hon. member for Montmagny. I for one, Mr. Speaker, would have been glad if that Bill had come up for its second reading, as that would have afforded me an opportunity to express my views concerning the Act of 1910.

This Government was unwilling to carry out the Laurier Navy Act. The right hon. Prime Minister, with a few of his colleagues proceeded to England during the recess of 1911-12 to confer with the British Admiralty and the Home Government, in order to know what this Government should do for the defence of Canada and for the defence of the Empire as a whole. It was decided to order the building at the expense of Canada of three of the largest dreadnoughts of the best type which science could device and money procure.

It just amounts to this, Mr. Speaker, that

the Admiralty and Government of the mother country have modified their views, and I may add that, as far as I can see, they do not seem to know what they want. Apparently these gentlemen are at liberty to change their minds and to be one day in favour of a local navy and the day following in favour of the building of dreadnoughts.

If the British Admiralty and Government are at liberty to alter their views as regards the action which Canada should take, I trust, Mr. Speaker, that it will be allowable for your most humble servant who is now addressing you, to say what he thinks of that change of front and to make known his views as to the nature of our future intercourse with the mother country in connection with naval defence.

In 1909, I agreed to the resolution of March 29, and in 1910, I voted for the Bill known as the Laurier Naval Bill. But this Government has not deemed it proper to carry out the policy approved in 1910, and, on the contrary, has launched a new policy in 1913, that is to say, a proposal to grant three dreadnoughts to Great Britain. That policy is even worse than the preceding as stated by our Nationalist friends during the elections of 1911, though they have in the meantime become out and out ministerialists in this House. Then we are bound to take into account the present state of things in Europe, a state of things which is constantly improving, all danger of warfare disappearing. Mr. Speaker, I have never been of a warlike disposition, far from it. The British Empire is secure as yet, in spite of the forebodings of the right hon. Prime Minister in his speech of December 5, 1912, when submitting to the House his contribution policy. Conditions are quite different from what they were in 1909-10 and 1911-12; there is no longer any justification either for the establishment of a navy or the granting of a contribution, and it would seem from all we have seen of the doings of the Admiralty that we should henceforth frame our policy in accordance with the sole requirements of Canada. In view of all the above stated facts, I say that we should under the shortest possible delay start the building of the Georgian Bay canal, a departure which would surely be of much greater benefit to the farmers of this country and to Canada's commercial metropolis than the construction of dreadnoughts and the maintenance of a war navy.

Had it not been for the interference of the Senate, the country would be just now pledged to an expenditure of fifty or sixty million dollars for the building of those three dreadnoughts in Great Britain during the three years following the passing of the Bill; that is to say that for the current year we would have been called upon to insert in the estimates $15,000,000 or $20,000,000 for that purpose.

So I say, Mr. Speaker, that the people of this country would much prefer seeing the Government provide $10,000,000 in this year's estimates towards starting, by next spring, the work on the Georgian Bay canal.

A few moments ago, Mr. Speaker, I referred to the tour which some of the ministers had made through the Eastern Townships. I read in the papers an account of their speeches, especially in regard to the Borden contribution. The hon. member for Argenteuil (Mr. Perley) found that the contribution proposal was very popular in French Canadian centres. I may suggest to the hon. gentlemen to pay a visit to my constituents in Laprairie and Napierville during the coming recess of Parliament. I would also like his colleague the hon. Minister of Justice (Mr. Doherty) to accompany him, so that we might discuss the bargain he made with the country, whereby after spending fifteen years on the Bench, he became entitled to a pension for the remainder of his life.

The country is mute, but I represent in this House a fraction of its population equal 1/221, and on that ground I may be entitled to take exception to that enactment and to move for its amendment.

The hon. member for Argenteuil, while in the Eastern Townships, also referred to the Highways Bill. Through this Bill the Dominion Government appropriated an amount of $10,000,000 for ten years to come, which means an average of one million dollars per annum for the next ten years, towards improving highways throughout the country. If, in that Bill, the minister had inserted a provision whereby that amount would have been distributed on the basis of population, which would have meant for the province of Quebec a yearly grant of $270,000, that would have been fair.

Are you aware, Mr. Speaker, that there are in the province of Quebec, 1,048 municipalities, and that just now over 400 municipalities are benefited by the Act passed a good many years ago by the Liberal administration of Sir Lomer Gouin?

I estimate that there is on an average twenty miles of roads in every municipality, an estimate which is very conserva-

tive indeed, considering that in my own constituency some municipalites have as much as 43 miles of roads to make. That will give a total of 20,960 miles of roads to look after in the province of Quebec. I estimate the average cost of such roads at $7,000. Now, 20,960 miles multiplied by $7,000 gives the startling total amount of $146,720,000.

Mr. Speaker, I would like to figure out with you how many years it would take the Government to get through with that work in the province of Quebec. With $279,000 to spend per annum, at the rate of $7,000 per mile, we will be in a position to improve slightly over thirty-nine miles per annum, let us say forty miles per annum in round figures. Let us see how long it would take to go over the 20,960 miles I have just referred to. Since it takes $278,000 to build 40 miles of road, by dividing 20,960 miles by 40 we have the number of years it will take to complete the undertaking, and that is 524 years.

Please note, Mr. Speaker, that I have not taken into account the cost of the machinery required for the building of such roads in the various provinces. Such a plant, complete, costs $6,500, and such an outlay would reduce materially the amount available for road-building in the province of Quebec. Plants would be required from year to year and the $278,000 appropriation would be cut down by so much. I expect that the hon. gentleman I referred to a moment ago would thus address the electors of the Eastern Townships: We had resolved to hand over to you $10,000,000 towards furthering the improvement of your roads which are in a deplorable state, and if the Senate had not amended that Bill, you would have had as good roads here as they have elsewhere. That is the unvarying statement of these gentlemen wherever they go.

Mr. Speaker, I did not have much faith in the Government's sincerity when they put through that Bill for the improvement of highways. It was rather in the nature of a vote catcher in election time, and we had a good example of it when a bye election took place in South Renfrew during the session of 1911-1912. Even previous to the Bill being introduced into Parliament, some politicians were pressing the voters in Renfrew to support the Government candidate as a means of securing a large appropriation towards the macadamizing of their roads. I think that was the only object they had in view, since the Government rejected the amendment made by the Senate, an amendment which purely and simply required that the clause providing that the funds should be left wholly at the disposal of the minister to be spent at his own sweet will be struck out and replaced by the words 'on the basis of population' in the various provinces.

I think that the best means of assisting the farming class in the improvement of the highways would be to increase the subsidies to the provinces. I should say, in passing, Mr. Speaker, that the Quebec provincial act is most satisfactory in its working and all are entitled to take advantage of it, whether the constituency be represented by a Liberal or by a Conservative, whether the parish be Grit or Tory. In a word the Act is for the benefit of all.

Mr. Speaker, to show that I have good reason not to rely on the good faith of the Government in the matter of the improvement of highways, I shall refer to that part of King Edward avenue which traverses Laprairie. The former Liberal Government spent $38,000 on the lower part, called the Laprairie domain, covering a length of 8,000 feet. This Government, which has been in power since September 21, 1911, has not as yet done anything to emerge from that quagmire. The carrying out of that work is urged, not only by the Laprairie and Napierville farmers, but by the whole city of Montreal and also by the automobile clubs of Montreal as well as of the United States. However, as yet the Government has not done anything, and please observe that this stretch of road is only 8,000 feet in length. I stated a moment ago that 524 years, to say the least, would be required to build up the roads in the province of Quebec out of that $278,000 per annum; but if I was to base my estimate on the time it is going to take to complete those 8,000 feet of the Laprairie road, 5,000 years would be nearer the mark. Possibly that stretch of road at Laprairie is left in abeyance to be taken up again in the course of the next electoral campaign.

Besides, how could two Governments carry on simultaneously the improvement of roads within the same county or the same municipality, one stretch of which would be worked by the municipality by means of the 2 per cent loan of the Provincial Government, while another stretch would be under the supervision of the Dominion Government? That would not be practicable, and I am satisfied the Government will not bring back that Bill as framed in the first instance, but, will provide a further grant so as to put the pro-

vinces in a better position to improve their roads as rapidly as possible.

I was referring a moment ago to King Edward avenue. The hon. Minister of Public Works is aware that the said avenue passes through my constituency, as I conferred with him on the subject last year, and he gave me to understand that those 8,000 feet of road, that is about a mile and a quarter, would be built in the course of the summer of 1913. However, nothing as yet has been done. That road was at the time, and is still at the present time, in a deplorable state. The hon. Minister of Inland Revenue (Mr. Nantel) has some experience of it himself since, one evening, returning from the county of Chateauguay, where he had been to canvass electors on behalf of the Government candidate, he came very near being obliged to spend the night in a mudhole, as the automobile in which he was driving got stuck and could not proceed any farther.

Mr. GAUVREAU: He was very lucky to get out.

Mr. LANCTOT: To my mind, the best way of assisting the provinces in the matter of road improvement, is not through the Dominion Government stepping in and doing the work themselves, but simply making grants to the provinces, or extending bonuses to municipalities which are carrying on improvements. Such an Act would be of benefit to all, all municipalities would equally be in a position to take advantage of it, provided they improved their roads. Make the bonus $25 or $50 or $100 as you please, for every mile improved. Such an enactment would be fair to all, nobody would be singled out for special favours. Any municipality effecting such improvements, would be entitled to get the grant provided by the Act. I think such a procedure would be a good deal more satisfactory than that laid down by the Government in its Bill of last session.

In concluding, I wish to draw the attention of the Minister of Public Works—I do not know whether he understands French—to the work on the embankment at Laprairie. When the estimates of his department are brought down, I shall take occasion to confer with him at greater length on the matter. In the meantime, I would like to urge on him the necessity of getting the contractors who signed the papers a few days ago, according to the answer given yesterday to a question put by me, to push the work to completion as expeditiously as possible, so that the farmers of Laprairie and Napierville may take advantage of them. I think that the road might be completed within two or three months, and then not only farmers, but the automobile clubs of Montreal and elsewhere would be in a position to use it.

Mr. Speaker, I shall not tax your patience any longer; I have kept the floor a good deal longer than it was at the outset my intention to do, and in resuming my seat, I must thank the House for the courteous hearing hon. gentlemen have extended to me.

Mr. W. F. GARLAND (Carleton, Ont.): Mr. Speaker, it is with some degree of nervousness that I rise to address the House for the first time; but I will not detain it very long. As a novice, it would be very hard for me, at this stage of the debate, to make a speech without rehashing what has been said by previous speakers. I am proud to represent a constituency which has remained true to the Conservative party since 1867. I am also proud to predict that the same constituency will remain true to the Conservative party for as long again. I am also proud to say further that this constituency has been honoured by being represented in this House by the late Sir John Macdonald and also by the present Prime Minister of Canada. References have been made here to the hon. member for Carleton. I sometimes felt embarrassed when I heard those references made, but I am proud to say that they did not refer to the member for Carleton, Ontario. I am sorry the hon. member for Carleton, N.B. (Mr. Carvell), is not in his seat, because I would like to tell him of a little incident which happened to me, and which perhaps might be beneficial to him. A short time ago I was introduced to a constant frequenter of the gallery as the hon. member for Carleton. 'Oh', he said, 'you are the member for Carleton, who rises in your seat every few minutes and says a whole lot that does not mean anything.' 'No,' said I, 'I am not the member for Carleton to whom you refer. He is the member for Carleton, N.B., and is known in this House by the Conservative party as the jumping jack politician of Canada.'

I must congratulate the hon. Minister of Finance on his businesslike Budget speech. I must also congratulate the Government on having every man in the Treasury benches fulfilling his duties in a businesslike manner. I am proud to be a Conserva-

tive, and I was prouder to be a Conservative when I heard the Budget speech delivered. There is quite a difference between the way in which the country is being administered by the present Government and the way in which it was administered by the late Government. The ex-Postmaster General promised to give us rural mail, but he did not do so. If he had done so, the fact would have been advertised from the housetops and on billposters. The present Postmaster General, besides making rural mail a success, has established parcel post and has done so in a modest and quiet way. Had I been the Postmaster General at the present time, I would have had all those rural mail boxes which he has established painted blue, and on one side the words, 'Established by the Borden Government,' and on the other side 'Protection.' If that had been done, all the rural mail boxes in my county would have been painted blue.

I do not know that I can say anything about the policy of the Opposition; but perhaps I can say something about their policies. The policies, which I have gathered from the members of the Opposition who have already spoken, are: free food, free wheat, inconsistency, do nothing when you are in power except enrich party heelers, promise everything when out of power.

In regard to the high cost of living, there are no complaints from the producers of food-stuffs. The farmer is only getting his rights and in some cases making a little money. The high cost of living is felt in the cities; and perhaps, instead of the high cost of living, it should be better termed the extravagant cost of high living. The high cost of living is caused not by the high cost of food-stuffs, as the leader of the Opposition and all his supporters claim, but by too many car tickets and not enough walking; too many cigarettes smoked, too much ice cream and chocolates, too many extreme changes of style in women's headgear and dress—large hats, small hats, hobble skirts, peg-top skirts—too many nickle theatres by some classes, too many dollar seats in opera houses on small salaries, too many dainties and delicacies on tables, the extravagance of the rich man, and the imitation of the poor man. I would like to see every Canadian living like a prince, but I would prefer to see him living within his income.

With regard to free wheat, I do not think it would be a good thing for Canada, because Canada needs protection. I have taken from to-day's Mail and Empire the following quotations of actual bids on wheat:

	Minneapolis.	Winnipeg.
May..	89⅛c.,	90¼c.
July..	90⅝c.	92c.

The same quotations appeared in the Toronto Globe, which may be of some satisfaction to hon. members opposite. In my opinion, all the wheat should, if possible, be ground in Canada. There are over 600 millers in Canada who, if we had free wheat, would go out of business. The ocean rate on flour is three times the rate on wheat.

The hon. member for West Kent (Mr. McCoig) said that the reason why the farmers did not want mixed farming in Manitoba was because it would hurt mixed farming in Ontario. As an Ontario member, I would say that the member for West Kent need not fear for the Ontario farmer so far as competition is concerned. Every Canadian courts competition rather than shuns it. We sent our Canadian sons to the livestock judging in Chicago, and they gave a good account of themselves; they also won in the beef competition there. The reason why the farmers of Manitoba may want free wheat is that they are not getting the yield per acre which they got when they had virgin soil. If the Manitoba farmer would work his land better, as the hon. member for South Ontario (Mr. Smith) said, he would have a better yield. The Ontario farmer has as good a yield to-day from his farm as he had fifty years ago.

With regard to free agricultural implements, this Government has done something that the late Government did not dare to do; that is, they have taken 5 per cent off the duty on reapers, harvesters, binders and mowers. There has been called to my attention a firm in western Ontario which manufactures the Speight wagon, which was sold twenty-five years ago for $125. The same wagon sells to-day for $85 under protection, and we must consider the extra cost of material and labour.

With regard to protection, the Opposition, when they have time, should read the speech delivered last session by Mr. Wilson, of Wentworth, with regard to binder twine, coal oil and barbed wire. Canada is a young country, and could not exist for long without protection.

The policy of the Liberal party is—anything to return to power. They will say and promise anything when not in power in order to catch votes, but the people will not be fooled again as they were fooled for fifteen years with such speeches. We often hear the quotation: 'My kingdom for a horse!' 'Oh for a seat in the House of Commons!' says the ex-Minister of Labour, of pink-tea fame. 'Oh for a seat in the House of Commons!' says the ex-Minister of Agriculture, of crate-fed chicken fame.

I was somewhat amused when the hon. member for Bonaventure (Mr. Marcil) was delivering his speech. He gave us the same speech with regard to the Gaspé peninsula as he gave last session, when he told us that where Westmount is now located there was formerly an orchard. The people might like to be told that a tree once grew in the place where the hon. member now sits.

With regard to the three transcontinental lines in Canada, perhaps there is already one too many, but better one too many than not enough.

I cannot let the opportunity go by without making a slight reference to the Georgian Bay canal. This undertaking should be adopted by the present Government, as we are in need of a great waterway from the East to the West.

With regard to the Senate, I will only casually refer to it, as I think nearly every other speaker has referred to that august body which is now dying a peaceful death.

As to the navy, I am sorry that this country, the brightest jewel in the Crown of Great Britain, is not doing its duty. I think this matter should have been brought up this session again and put through, or at least another opportunity should have been given to the Senate.

In conclusion, I think we should do away with sectional and provincial discussion in this House, and join hands and boost one Canada. We should boost Canada when we are in Parliament and when we are out of Parliament, and tell the people of other countries that Canada is the greatest country in the universe. Mr. Speaker, you have often been compelled to rise in your seat and say 'Order.' I should like to see you, when some person is knocking Canada, no matter what party he may represent, rise from your seat and say, 'Boost!'

I will not weary the House longer, but will close by thanking you, Mr. Speaker, and the members of this House for having listened so kindly to my rambling remarks.

On motion of Mr. Murphy, the debate was adjourned.

On motion of Mr. Rogers, the House adjourned at 11.27 p.m.

Wednesday, April 22, 1914.

The House met at Three o'clock, the Speaker in the Chair.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

VANCOUVER ORANGE LODGE RESOLUTION.

Mr. PROULX:

1. Has the attention of the Government been called to a certain resolution passed on the 30th March by the Vancouver County Orange Lodge, referring to Home Rule in Ireland, etc., a copy of which was ordered to be sent to the Prime Minister of Canada, and to Winston Churchill and Sir Edward Carson?
2. Has the Prime Minister received a copy of the said resolution? If so, has he made any reply, and what was the nature of it?
3. Does the Government approve of the suggestions made in the said resolution?
4. What action, if any, does the Government intend taking regarding the said resolution and the suggestions contained therein?

Mr. BORDEN: A copy of the resolution alluded to, without any covering letter, has been received by the Prime Minister. No reply has been sent. The Government does not feel called upon to offer any opinion in reply to the third and fourth questions.

PROTECTION OF CANADIANS IN MEXICO.

Mr. COCKSHUTT:

1. In the event of war between the United States and Mexico, will the Government take any precautions to insure the safety of the lives and property of Canadians in the latter country?
2. If so, what action will be taken?

Mr. BORDEN: During the past eighteen months representations with regard to the matter alluded to have been made to the imperial Government on several different occasions. In case further representations should be deemed necessary from time to time, they will be made without any delay.

CANADIAN PACIFIC RAILWAY IRRIGATED LANDS.

Mr. BUCHANAN:

1. In the agreement made between the Government of Canada and the Canadian Pacific Railway Company, whereby the latter company was enabled to get their land grant in one block for the purpose of establishing the present irrigation system east of Calgary in Alberta, was a minimum price fixed which the company

could charge for irrigable lands? If so, what was the price?

2. Is the Government aware whether the Canadian Pacific Railway Company, which now hold these lands, is adhering to their agreement in this respect?

Mr. ROCHE:

1. No.

2. Answered by No. 1.

COST OF DRILL HALLS AND ARMOURIES.

Mr. SINCLAIR:

What is the total sum expended in drill halls and armouries in all the provinces of Canada between October 10, 1911, and December 31, 1913?

Mr. S. HUGHES: The total cost of drill halls and armouries constructed by the Department of Militia and Defence between October 10, 1911, and December 31, 1913, is $1,063,000, including those under construction at the latter date.

INTERCOLONIAL RAILWAY PROPERTY PURCHASE AT MONCTON.

Mr. TURGEON:

1. What is the sum total of the cost to the Intercolonial railway to date of the so called P. S. Archibald property in Moncton, N.B., including original purchase and all expenses in connection therewith and the securing of title thereto?

2. What is the monthly rental paid for the use and occupation of said property by F. P. Brady, general superintendent of said railway, and what does said rental charge include?

3. Is water, light, fuel and ice furnished free to the said occupant or tenant?

4. What is the yearly salary paid to the said F. P. Brady as general superintendent, what expenses are allowed him in addition and what do they amount to yearly?

Mr. J. D. REID:

1. Total cost to date, $28,042.60.

2. A monthly rental of $25 per month is collected, including water.

3. No, with the exception of water, which is included in monthly rental.

4. Yearly salary $7,500; no expenses in addition are allowed.

MANITOBA SCHOOL LANDS.

Mr. NEELY:

1. Has the Government sold any school lands in the province of Manitoba since October 1, 1911, to March 1, 1914, other than by public auction after proper and sufficient advertisement?

2. If so, what parcels and to whom have they been sold?

Mr. ROCHE:

1. Yes—to boards of school trustees for school sites under the provisions of subsection 2 of section 39 of the Dominion Lands Act and to railway companies for railway purposes under the provisions of the Railway Act.

2.

Description.						Date of Sale.	Purchaser.
	Sec.	Tp.	Rge.	Mer.	Area.		
Pt. S. ½ & N.E ¼.	11	19	2	E. 1st	11.05 acs.	Oct. 23, 1911	Canadian Pacific Railway Co.
Pt. S.W. ¼	11	20	2	E. 1st	3.26 "	"	" "
Pt. N.E. ¼	11	20	2	E. 1st	3.32 "	"	" "
Pt. E. ½ & S.W. ¼	11	21	2	E. 1st	19.17 "	"	" "
Pt. N.W. ¼	29	16	9	1st	22.81 "	Jan. 15, 1912	Canadian Northern Railway Co.
Pt. N.W. ¼	29	2	12	E.	2 "	May 2, 1912	Evergreen School District No. 1599.
Pt. N.W. ¼	11	24	2	1st	2 "	" 22, 1912	Fisher Branch School District No. 1543.
Pt. N.E. ¼	11	1	11	E.	2 "	July 6, 1912	Pine Valley School District No. 1168.
Pt. S.W. ¼	29	16	9	1st	4 "	Oct. 7, 1912	Langrath Consolidated School District No. 1303.
Part	11	21	5	1st	14.04 "	Jan. 7, 1913	Canadian Northern Railway Co.
Pt. N.E. ¼	11	23	6	1st	5.48 "	"	" " "
Pt. S.W. ¼	29	24	6	1st	2.42 "	"	" " "
Pt. W. ½..	29	26	7	1st	12.17 "	"	" " "
Pt. W. ½..	29	31	9	1st	12.65 "	"	" " "
Part	11	24	16	1st	12.00 "	May 5, 1913	" " "
Part	11	24	17	1st	12.00 "	"	" " "
Pt. N.E. ¼	35	19	29	1st	5.87 "	Aug. 8, 1913	Man. and North Western Ry. Co.
Pt. S.E. ¼	11	19	10	1st	4.00 "	Nov. 25, 1913	Consolidated School District of Flora No. 1534.
Pt. N.E. ¼	29	27	27	1st	4.00 "	Feb. 12, 1914	Consolidated School District of Merridale No. 1480.
Pt. N.E. ¼	29	13	3	E.	2.00 "	Mar. 2, 1914	Whitemouth School District, No. 1672.

FENIAN RAID CLAIMS INVESTIGATION.

Mr. SINCLAIR:

Has the legal adviser of the board who investigated the claims of Fenian Raid veterans, been paid for his services? If so, how much?

Mr. S. HUGHES: Yes; $3,615, as fixed by the Department of Justice.

EMPLOYMENT OF CHARLES McPHERSON.

Mr. SINCLAIR:

On what date was Charles McPherson appointed postmaster at North Riverside, Guysborough county, N.S.?

Mr. PELLETIER: On the 30th September, 1911.

TRANSCONTINENTAL RAILWAY COALING PLANTS.

Mr. MACDONALD:

1. Who were the tenderers and what was the amount of each tender for the mechanical coaling plants proposed to be erected at Monk, Bridge, Fitzpatrick, Doucet and O'Brien, on the Transcontinental railway?
2. What was the address of each tenderer?
3. When were tenders called?
4. When were they awarded?
5. What was the name and address of the tenderer to whom the contract was awarded?

Mr. J. D. REID:

1. Kennedy Construction Co., Montreal, Que., $183,605; C. O. Bartlett and Snow Co., Montreal, Que., $169,700; John King, Fort William, Ontario, $166,410; Williams and Wilson, Ltd., Montreal, Que., $152,250; The Eastern Steel Co., Ltd., New Glasgow, N.S., $110,250; Williams, White and Co., Moline, Ill., $109,578; Roberts and Schaefer Co., Chicago, Ill., $107,931; Republic Structural Iron Works Co., Cleveland, O., $106,646, with wet excavation as an extra, which may mean from $10,000 to $15,000 extra; Ogle Construction Co., Chicago, Ill., $96,386—this is a lighter proposition, two 1-ton buckets instead of one 2½-ton bucket as called for, wet excavation also considered as an extra; Canadian Fairbanks-Morse Co., Ltd., Montreal, $95,000. Elevating capacity 1½ tons only, while our specification calls for 2½ ton elevating capacity. They also reduce the width of the plant some 4-ft. 2-in., which would make it too narrow.
2. See answer to No. 1.
3. November 3, 1913.
4. January 26, 1914.
5. Roberts and Schaefer Company, McCormick building, Chicago, Ill.

NEW HARBOUR BREAKWATER.

Mr. SINCLAIR:

1. Was a report made prior to September, 1911, by resident Engineer Millidge, regarding the proposed extension of the breakwater at New Harbour, Guysborough county, N.S.?
2. If so, did the engineer advise that the extension be made?
3. What was the estimated cost?
4. Was the money voted in 1911 to build such extension? If so, how much was voted?
5. (a) Were tenders asked for? (b) If so, when?
6. What are the names of the tenderers and the amount of each tender?
7. Was the extension ever built? If not, why was it not built?

Mr. ROGERS:

1. Yes.
2. Reported that the extension would be a great convenience to the thirty fishing boats now using the harbour.
3. $27,000.
4. Yes; $10,000.
5. (a) Yes. (b) Tenders were called for from 19th September to 18th October, 1911.
6. No tenders were received.
7. No, as provision is being made for more important works.

SAMPLE MARKETS.

Mr. NEELY:

1. Has the Board of Grain Commissioners recommended to the Government the establishment of sample markets in Western Canada?
2. If so, what date did they recommend for the establishment of sample markets and at what points?
3. Has the Government passed any Order in Council respecting the matter, as required by the Grain Act?
4. If so, what dates were fixed and what points were selected for the establishment of these sample markets?
5. If such Order in Council was passed, has it been given effect? If not, why not?

Mr. G. E. FOSTER:

1. Yes.
2. September, 1913. The board afterwards changed the date of their recommendation to December 15, 1913; Winnipeg and Fort William.
3. Yes.
4. December 15, 1913, but subsequently indefinitely postponed; Winnipeg and Fort William.
5. No. The crop of 1913 was of unusually high quality and remarkably uniform. It was harvested early and placed rapidly upon the market. By the date set, most of the wheat had passed out of first hands, and the farmers therefore would have got little if any advantage from putting the sample market into operation.

BOAR'S HEAD FOG ALARM.

Mr. A. K. MACLEAN:

1. Who was the contractor for the erection of a building for a fog alarm at Boar's Head, Long Island, Digby county, N.S.?
2. What was the amount of the same?

Mr. HAZEN:

1. Messrs. Maynard C. Denton and Maurice A. Condon, of Digby, N.S.

2. $3,350.

LUNENBURG COUNTY MAIL DELIVERY.

Mr. A. K. MACLEAN:

1. Who has the contracts temporarily for the conveyance of mails between Martin's Point post office, Lunenburg county, N.S., and the railway station at Martin's river, N.S.?

2. What amount is he paid?

3. Were tenders asked during the present year for this mail service? If so, who was the lowest tenderer, and what was the amount of the same?

4. Is it proposed to accept the lowest tender? If not, why not?

Mr. PELLETIER:

1. Fred Shupe.

2. $375 per annum.

3 and 4. Tenders were invited and the lowest tender has been accepted. The name of the lowest tenderer and the amount will be given when the contract has been signed.

MORNING SITTINGS.

Right Hon. R. L. BORDEN (Prime Minister) moved:

That on and from Monday next, the 27th instant, and until the end of the session, the House shall meet at 11 o'clock in the morning, and that in addition to the usual intermission at 6 o'clock p.m., there shall be an intermission from one to three o'clock p.m.

Sir WILFRID LAURIER: In point of time this motion may have come at the proper moment, but we should be informed as to the nature of the business which the Government has yet to bring before the House. My right hon. friend is aware that, according to the practice invariably followed, this motion to hold morning sittings is never brought before the House until all the business of the Government has been laid before us. There is a rumour, which is persistent and for which, I believe, there is some foundation, that the Government is going to introduce some very important legislation with regard to the Canadian Northern railway. If it be the intention of the Government to introduce such important legislation as is surmised, it will not be opportune at the present time to hold morning sittings. The moment we commence to sit in the mornings there will be no time for hon. members to give thought or consideration to legislation, or even to the study of matters placed before us. Therefore, I hope my right hon. friend will not press this motion, if I am correctly informed that the whole business of the House is not before us.

Mr. BORDEN: Without committing myself one way or the other to the report upon which my right hon. friend has based his observations, I may say that there will undoubtedly be legislation which does not appear upon the Order Paper. In view of that, and having regard to what my right hon. friend has asked, I will not press the motion to-day, but will let it stand until to-morrow.

Motion stands.

QUEBEC HARBOUR APPARATUS.

On the Orders of the Day being called:

Mr. LEMIEUX: I wish to draw the attention of the hon. Minister of Marine and Fisheries (Mr. Hazen) to the following item which appears in the Quebec Telegraph of April 15, in regard to the works in the harbour of Quebec:

Mr. S. George Boswell, chief engineer of the Quebec Harbour Commission, who has just returned from a six-weeks' trip to the old country, accompanied by Mrs. Boswell and Miss Maud Boswell, was interviewed by the Telegraph this morning.

The object of Mr. Boswell's trip was the inspection of the new apparatus for the Quebec harbour, now under construction on the other side. This includes a crane, a dredge, a floating grain elevator, and a service boat.

The fifty ton crane is being built by a well known Glasgow firm, and the dredge which is of the ladder pattern, is being constructed in the same place by Wm. Simons and Company.

The service boat, which will be a 125 foot, 1,000 h.p. craft, built on similar lines to the tug 'Sir Hugh Allan,' used by the Montreal Harbour Commission, is being built by the Smith Stock Company, of Middlesboro, as is the floating grain elevator.

The grain elevator when completed, will be capable of taking a load of 35,000 bushels, and will be able to load in about four hours.

All the new purchases are expected out here in the month of June, and with the exception of the crane, all will cross the Atlantic on their own steam. The crane will probably not be assembled until it arrives in Quebec.

I am calling the attention of my hon. friend to this matter because I am informed that all this work could have been secured from Canadian firms, such as the Westinghouse Electric Company, the Steel Company of Canada, the Hamilton Bridge Works, at Hamilton, Ont., the General Electric Company, the Polson Iron Works Company, at Toronto, the Collingwood Ship Building Company, at Collingwood, the Western Dry Dock Company, at Port Arthur. Were these firms given an opportunity to tender on these works? The policy of the Government, according to de-

clarations made by my hon. friend in previous debates and declarations made by my hon. friend the Postmaster General the other day in Quebec, has been that as much of such equipments for Government business as possible should be built in Canada.

Mr. HAZEN: I shall be happy to get the information from the harbour commissioners and give it to my hon. friend as soon as I receive it.

RIVER VALLEY RAILWAY.

On the Orders of the Day being called:

Mr. EMMERSON: On the 15th of April, I asked the Government whether or not any action had been taken in regard to additional assistance for bridges in connection with the River Valley railway in New Brunswick. The Minister of Trade and Commerce answered on that occasion that a proposition or application was before the Government and was under consideration. Has any decision since been reached by the Government or any action been taken ?

Mr. BORDEN: The subject is under consideration. Any necessary announcement will be made in due course.

RANCH FOR CAVALRY REMOUNTS.

On the Orders of the Day being called:

Sir WILFRID LAURIER: The other day I asked the Government for information as to a grazing lease to a certain firm for the purpose of establishing a ranch for cavalry remounts. I was told by my hon. friend the Minister of Militia that the matter was not completed. Can he give me any further information on the subject?

Mr. SAM. HUGHES: It has not yet been completed.

TRENT VALLEY CANAL.

On the Orders of the Day being called:

Mr. GRAHAM: By yesterday's despatches I note that a statement was made in the Ontario Legislature by one of the members of the Government that the Dominion Government had handed over or was about to hand over to the province of Ontario all the water-powers developed by the construction of the Trent Valley canal. Is that statement correct ?

Mr. BORDEN: If I remember correctly, there is some litigation pending. I am not able to give my hon. friend definite information at the moment. So far as I am aware, no arrangement has been concluded within some months past.

Mr. GRAHAM: There is some litigation pending in the Exchequer Court, I think, as to the rights of the provinces and the Dominion concerning these water powers. I could not see how the water powers could be handed over in the face of a suit pending.

Mr. BORDEN: That is my recollection, but I am not fully advised.

THE BUDGET.

Consideration of the motion of Hon. W. T. White (Minister of Finance) for the House to go into Committee of Ways and Means, resumed from Tuesday, April 21.

Mr. E. W. NESBITT (North Oxford): Mr. Speaker, I did not have the pleasure of hearing the hon. gentleman who preceded me in this debate, and therefore I shall make no special reference to his remarks, but shall immediately apply myself to a consideration of the Budget speech delivered by the Minister of Finance. Any remarks I shall make will be purely personal, and I do not wish it to be thought that they bind any one else.

The Minister of Finance, in reviewing the economics of the present money stringency, said:

> There is no doubt that the severe and prolonged financial stringency through which the business world has passed and from which it is only now emerging marked the culmination of one of those so-called trade cycles well known to economists. The phenomena of these cycles are well known. First a surplus of loanable capital attended with easy money conditions and low interest rates, next commercial activity promoted and sustained by abundant supplies of such capital resulting in profitable trade and rapid extension of enterprise, next, in consequence of such rapid extension, an undue proportion of the money supply of the world finding its way into fixed capital, then shortage of liquid resources among financial institutions, followed, as a matter of necessity in order to rectify conditions, by advancing rate of interest with curtailment of credit and consequent restriction of trade. When this last condition is reached and has prevailed for such time as is necessary to permit of the accumulation of loanable capital in sufficient surplus to bring about easy interest rates another cycle.

That is the position in which we are at present. Considering the views held by the Minister of Finance with reference to economic cycles, I cannot understand why he, last year, when these loans fell due and it was necessary to borrow money to carry on the capital expenditure of the country, should have made such long-date loans at high rates of interest. I quite agree with him that after the stringency takes place,

and the banks and other moneyed institutions have curtailed their advances to the commercial world and the public, that then there does accumulate a certain amount of surplus fund which brings down the rate of interest on what are called gilt-edged investments. I well remember when, in my own business, we were loaning money on mortgages at four and a half per cent, and now it is commonly six per cent. But I cannot agree with the Minister of Finance that he should have made all these loans, amounting to £12,000,000, or about $60,000,000, to mature in 1960. I think it would have been good financing for him to have renewed at least part of these loans for a much shorter term. I notice that he did renew the loan for £1,700,000 until November next, and while money may not be very much cheaper in November, I would not be much surprised to see it cheaper than it is at the present time; that is to say, for the type of money that we cater for, namely, gilt-edged loans, and I suppose the Dominion of Canada can be looked upon as a gilt-edged borrower. I do not think the Minister of Finance showed his usual good judgment in negotiating so many long term loans, and for such large amounts, because we must remember that the loans negotiated last year, including the £1,700,000, amounted to $68,500,000.

The hon. member for North Perth (Mr. Steele) stated yesterday that the Minister of Finance had had surpluses in the last two years amounting to $93,000,000, and I wondered what explanation a member of this House could give to his constituents for the Government having a surplus of $93,000,000 and at the same time borrowing $68,000,000, even though part of that borrowing was to repay maturing loans. In face of the fact that last April, and for three months before, there were indications of stringency in the money market, and indications that there would be a falling off in our revenue, because of the fewer orders placed for raw material by the manufacturers and wholesale houses, I cannot understand why a man of the financial acumen and business knowledge which I know the Minister of Finance possesses, should have allowed an increase of $14,500,000 in consolidated fund expenditure. I quite appreciate that the possibilities are that the Minister of Finance will never get credit for the amount of resistance he must have put up against the demands of his colleagues in the Government and his supporters generally, for more extravagant expenditures, but in the position he occupies it is his duty to watch over the revenues of the country and see that they are properly and economically expended. Seeing that in 1912-13 the expenditure on consolidated account had increased by $14,000,000, surely it would not have been asking too much of his friends, if the Minister of Finance had counselled them to curtail their anxiety for unnecessary expenditure, so as not to increase the consolidated fund expenditure during 1913-14. But he did increase that expenditure by $14,500,000 in round figures. If he had avoided that increase—every dollar of which probably was unnecessary—he would not have had to borrow more than a small amount to carry him through the financial year. Of course, we recognize that while he borrowed $68,000,000 a large proportion of these borrowings was to purchase Grand Trunk Pacific bonds and pay off maturing loans. But surely we do not intend to go on always taking up our maturing loans with new loans, surely we intend to pay our way in the sense of not constantly increasing our borrowings. The Finance Minister knew that the capital expenditure had to be incurred; he knew what loans were falling in and also what Grand Trunk Pacific bonds he would have to acquire. He knew also that the Grand Trunk Pacific loan had been sanctioned and that he would have to provide for it. Nevertheless the consolidated fund expenditure went on just the same. And a great deal of that expenditure was unnecessary, just as a great deal of the expenditure estimated for the coming year is unnecessary. Let me give one or two instances. But first, I may say that I am not one of those who object to the Finance Department providing for public buildings throughout the country as they may be necessary. But I believe there is reason in all things including the construction of public buildings. In this respect the public business is like the business of any commercial house; it is wise to prepare for the expansion of business, but still that can be overdone like everything else in finance. Take, for instance, the public building in Brantford. My hon. friend from Brantford (Mr. Cockshutt) is a very nice gentleman and very capable. There was voted for the public building in Brantford in 1913-4, $170,000 and this year there is an estimate of $200,000 of which $75,000 is a re-vote. This makes practically $300,000 for a public building in Brantford. Now, Brantford is a splendid city and is doing well; but in my judgment it is absolutely absurd to put $300,000 into

a revenue-collecting building in that city. Besides that there is a new drill hall for Brantford. They already have a drill hall there and surely they could have done without a new one while there is a financial stringency covering this country. Then there is an item of $20,000 for a public building in the village of Burford. There is nobody in the world, I suppose, who deserves anything more than my hon. friend from Brant (Mr. Fisher)—a particularly nice chap. But Burford is a village, and it already has a drill hall. Are you going to spread these buildings over the length and breadth of the land simply because the places chosen for their location send representatives who support the Government, and without regard to the public revenue from those places?

Mr. COCKSHUTT: Will the hon. gentleman please tell me how much the Woodstock post office cost under the late James Sutherland?

Mr. NESBITT: It cost $37,000. And that is the kind of a building that ought to be built in every case—in accordance with the population and the revenue.

Mr. COCKSHUTT: And how much did the drill hall cost?

Mr. NESBITT: Fifty thousand dollars. And the other night an estimate of $120,000 was up for the construction of a building in the town of Amherst, N.S., a place about the size of Woodstock. It is represented by a very excellent supporter of the Government, and a very nice fellow; but that is no reason why the expenditure on a drill hall should be made $120,000 instead of $50,000. And let me tell you, the armoury in Woodstock will be good enough for Woodstock when it has a population of 25,000, if it ever gets there. There is no possible necessity or excuse for such expenditures. And here is an item for a drill hall in Port Arthur, $99,000 voted last year, and $100,000 to be voted this year. Now, with all due deference to my good friend from Port Arthur (Mr. Carrick), I ask the members of the Government, I ask the Finance Minister if he does not think that $199,000 for a drill hall in Port Arthur is simply absurd. In my opinion no other word applies to it. And I tell you that the people of this country will not stand for such silly and extravagant expenditure by any Government, whether it be Liberal or Conservative. There is reason in all things, but there is none in that. This is where our money has gone, and this is why the Minister of Finance had to borrow money this year to pay his way, in the face of a surplus of $36,000,000 above consolidated revenue expenditure, which was ridiculous, and in the face of surpluses of $93,000,000 in two years. Now, whether the Finance Minister agrees with me or not, I am sure that the public agrees with me, and if he is to be the watch-dog of the treasury it is necessary for him to watch his colleagues and brother members on that side of the House more closely than he has done in the last two years. If he does not, it will be unlimited expenditure, expenditure gone mad, as we saw last year when the Estimates went through. Nobody could listen to the discussion on the Estimates and not agree that it was expenditure gone mad.

Now, I would like to say a word with reference to our immigration policy. I have thought for some time that while we have an excellent Immigration Act, and while that Act has been properly administered, yet it is wrong in some ways. We bring the unfortunate immigrant to this country and dump him at the port of entry, and that is the last attention we pay him. He does not know what to do; he does not know where to go. My idea is that the Dominion Government should make some arrangement with the several provincial governments—I do not know what it should be, this is only a crude idea of mine—and these immigrants should be taken in charge by the provincial government who should see to it that some occupation is found for him; and that as much as possible the Dominion Government should confine their attention to immigrants who are capable of going on the land.

It is absurd to bring to this country persons who know absolutely nothing about farming; the cities and towns do not want them, because they would have to face the possibility of providing for them if the winter were long and cold. It would take such persons all the rest of their lives, perhaps, to learn all they ought to know about farming; a farmer does not want to employ that sort of help. I know from experience that immigrants of this kind are of absolutely no use to the farmer, who would rather pay a man who is accustomed to farming, and who does not have to be instructed, $25 a month than pay another, no matter how able-bodied he might be, $5 a month. If it is impossible to avoid bringing that kind of people here, I would advise that the provincial and

Dominion Governments establish some sort of farms where these people could receive a smattering of education in farming processes before they hire out to the farmers in various parts of the country.

Mr. BLAIN: Does my hon. friend not understand that the policy of the Government is to assist only domestic servants and those who go upon the farms?

Mr. NESBITT: I do not know; that may be the general policy of the Government, but it is not followed out in practice. It does not matter what a man's policy may be; it is what he actually does that counts.

Mr. BLAIN: I understood my hon. friend to be condemning the Government for bringing to this country what he regarded as a poor class of immigrants.

Mr. NESBITT: I was not condemning the Government; I was suggesting that they should improve their immigration policy by looking after these people in some way after their arrival. I do not believe, of course, that the Government is purposely bringing such immigrants to this country, but they take charge of a great many of them after they do come here. However, I was not specially finding fault with the Government in the matter.

I now come to the question of the tariff. We on this side of the House have listened to hon. gentlemen opposite telling us that we closely followed and did not change the National Policy of Sir John A. Macdonald. Let me point out that the introduction of corn, free binder twine and free fence wire resulted in a saving to the farmers of this country of millions of money. Large quantities of these goods are brought into Canada, so that the tariff saving in this regard would assume enormous proportions. If the late Administration had done nothing else but that, they would still deserve the thanks of the country. But, as has been pointed out many times during the course of this debate, they also introduced the British preference. I quite believe that the English manufacturers did not take as much advantage of that preference as they could have taken if they had sent men over to see what they could do under that preference. I am pleased to see, however, that during the last few years they have sent men into the field, and the result has been that we have bought more English manufactured goods.

My hon. friend the Finance Minister said that speaking generally it is not advisable that one nation's tariff should be so arranged as to fit into the particular features of that of another nation. Speaking generally, that may be quite true, but let me point out to the House that you cannot very materially change nature by tariffs. I mean that it is natural for us to trade with the United States. Even with the tariff our business with the United States has increased constantly for a number of years. Our friends on the other side tell us that after we came into power we upheld the protective tariff principle as against the United States. It was as natural and proper for us to do that as it was for us to breathe, for the simple reason that the United States had a very high tariff against us and owing to our close connection with the United States we could not be expected to lower our tariff and let the United States put up a high tariff against us. But things have changed in the meantime; the Government of the United States have seen fit to lower their tariff against us. No matter what we do, we naturally follow the course pursued by the United States. It is all very well for hon. gentlemen to say that we should have no truck or trade with the Yankees, but, as a matter of fact, we copy the Yankees even in the matter of dances and ladies' dress--and, so far as I have been able to judge, they are not a bad sort of people to copy, after all. The tendency in the United States is to have lower tariffs; recently that tendency was so pronounced that the Government of the United States were forced by the people to lower the tariff. The tendency in this country, if I read the signs aright, is to lower tariffs. We are forced to have due regard to the raising of revenue, because, whether or not it is proper to collect revenue by imposing tariffs, that is the policy we have been pursuing for a number of years; that is the policy that we are likely to pursue, so far as I am personally concerned, that is the policy that I am going to advocate that we should pursue. At the same time, having due regard to the revenue of this country, which we have to raise, and having due regard to all interests that may be affected, we should make our tariff as low as possible; we should make it as nearly as possible a revenue tariff. I quite appreciate the statement of the Minister of Finance that we should pay regard to infant industries and assist them in getting started in this country. The minister says that that is a policy which we should pursue to as great an extent as we can without hurting other industries. But there are industries in this country that

have been assisted by the tariff for a number of years and are now in such a position that they can compete with the rest of the world; it is on the products of such industries that the tariffs should be decreased to a certain extent. The infant industry starting off in this country has a very great handicap. In the first place, we are a country three thousand miles in length with only eight million people. Thus we are not very thickly settled, and the consequence is that to establish an industry from end to end of this country, to get it on its feet and make it a paying proposition, takes a great deal of work, a great deal of time and a great deal of cost; and in making a tariff I think we should consider that to a very large extent. I quite appreciate that it is a very difficult thing to make a tariff suitable to all sections of this vast country. Then, too, our interests personally clash. I regret the feeling that sometimes arises in this country and is assisted sometimes even by members of Parliament, the class feeling. There is also a locality feeling that should not arise in this country. The interests of all are the same. But I particularly regret the class feeling that it is sometimes attempted to work up by newspapers. Class feeling, in my judgment, is far worse than party feeling although too much party feeling, that is blind party feeling, is a great injury rather than a benefit. The class feeling and class discussions in the newspapers are a great curse, speaking very strongly, to a country, and should not be encouraged by members speaking in this House or by the newspapers of this country. After all there is no difference of interest between the farmers and the manufacturers of this country or the middlemen. The so-called middleman gets a good deal of blame that he does not deserve. We must have the retailer in this country just as we must have the professional man. It will not do for us all to be farmers. A good many of us would starve to death as farmers and many of us would take the rest of our natural lives to learn to be good farmers if we tried ever so hard. But there are a lot of people in this country engaged in other occupations which are just as legitimate, although I confess I do not think are as nice as farming; but these people have as much right to a living as the farmer and that is why I deprecate this class discussion which sometimes arises in this country and for which there is no possible necessity. So far as I understand there is no difference between the farmers west of Port Arthur and those east of Port Arthur in reference to the tariff. The farmers, so far as I have heard from them and so far as my personal knowledge goes, are quite in accord, the farmers of Ontario

4 p.m.

are quite in accord with the requirements of the farmers of the West. I think that the Government, in framing the tariff, should endeavour to satisfy the bulk of the people as far as it is possible to do so, at the same time paying due regard to the interests of all classes and all established businesses.

I would like to comment for a moment or two on some of the changes in the present tariff. Take the steel duties. I suppose that the steel duties were changed at the solicitation of the steel corporations of Canada. We must bear in mind that while we are anxious to help all industries, we cannot help any of the industries too much at the expense of the whole country. I understand that we paid the steel industries of this country in bounties something in the neighbourhood of $16,000,000 in the last few years. That should have been quite sufficient to have established this steel industry, if it is at all natural to the country, on a paying basis. Take the Dominion Steel Corporation. I am not one of those who are opposed to corporations by any manner of means. This blind antagonism to corporations simply because they are corporations I have no sympathy with, because the industries of this country have largely been built up by corporations. That is to say, few individuals in this country have means enough to start a business of their own, and they employ the corporation agency by bringing in the money of the various people to whom they can sell stock, and by that means build up a strong corporation. I am opposed absolutely to over-capitalization of corporations, and I would like to see some system adopted by which all corporations would have to submit their propositions to some power that could find out what the capitalization was going to be used for. Take the Dominion Steel Corporation. It is in the minds of everybody here who has followed commercial industries in this country, that it was in two separate companies at one time, the Dominion Steel Company and the Dominion Coal Company. We know that both companies issued very large amounts of stock. I am not saying anything against them, I wish them all success, and I would not have any criticism to make here this afternoon excepting that they are coming to the Government

of the country for favours. I am not a stockholder of these corporations, and therefore it would be none of my business how they were incorporated or what they did, but when they come to this Parliament and ask for favours, it becomes the business of all of us to investigate, and at least we have the right to criticise. After the merging of the two corporations, with an enormous capitalization, we continued to pay them bounties for some years, and they paid a dividend on their common stock. Now I say that if the company had been properly managed, with due deference to the position of the shareholders in the company, they would not have attempted to pay a dividend on their common stock until they had accumulated a sufficient reserve to warrant them in doing so. If they had pursued this course no criticism would have been made this spring when they did not pay a dividend on their common stock. But they had no right to do it before because they must have used the bounties to a certain extent to assist in paying dividends in place of putting them in an operating position capable of competing with the rest of the world.

Let us now look at the Steel Company of Canada which, as we all remember, is a very recent amalgamation of several wire and nut companies and smelting companies and similar corporations in this country. They also started with an enormous capitalization. I will not go so far as to say that the capitalization is more than may be required in the interests of the business at some future time, but it was certainly an enormous capitalization for the genuine assets that they held when the amalgamation took place. Let me read their annual statement which was published in the press and is fresh in the minds of all. They did not do so badly, as you will see, even without any assistance from the tariff:

> Steel Company of Canada report for 1913 shows net profits, after expending $516,084 for repairs, maintenance and improvement of $1,640,011, which compares with net profits of $1,547,039 at the end of 1912, an increase of about $93,000.

So they could not very well come to this Government with a poor mouth. In my judgment they were doing fairly well. The report goes on:

> Of this amount $480,000 was taken by bond interest, $454,741 by dividends on the preferred stock, $137,500 was credited to the fund for depreciation, renewal and improvement of plants, $56,738 was written off plant account, and $511,621 was carried to credit of profit and loss.

> The report states that since December 31 the directors have disposed of $850,000 of the first mortgage bonds of the company, and the working capital has been increased by the proceeds of that issue.

I do not know what they are going to do with the proceeds of the $850,000 worth of bonds unless it is for betterment. The report, in my judgment, does not show that the company needed assistance to any great extent.

Let us look at some other items. I wonder why the minister put a duty on caustic soda. Every soap maker in this country uses caustic soda. We on this side of the House use soap, therefore we are interested in caustic soda. There is only one factory in this country making caustic soda and it is in the riding of my hon. friend from North Essex (Mr. Wilcox). I have nothing to say against that firm. I hope they will increase their output and make a profit, but I do not think they should be allowed a duty at the expense of the soap manufacturers and of the ordinary people in this country who use soap. Unfortunately, or perhaps fortunately, there are several people besides the gentlemen on this side of the House who use soap.

Sir WILFRID LAURIER: Hear, hear.

Mr. NESBITT: I think it is poor tariff-making to put a duty on caustic soda. I now come to item 546:

> Jute cloth or jute canvas, uncoloured, not further finished than cropped, bleached, mangled, or calendered.

The tariff on that is 7½ per cent preferential, 10 per cent intermediate and 10 per cent general. Why is a duty put on jute cloth? Jute cloth is not made in this country. It is used in the manufacture of all kinds of bags, such as flour bags, cement bags, grain bags—I need not enumerate the whole list, but jute cloth enters into the manufacture of nearly all kinds of bags used in this country; so why put a duty on jute cloth? To me it seems absolutely absurd. If we are ever going to ship grain by the Panama canal it will have to be shipped in bags, not in the loose state. I understand that this duty on jute cloth will increase the cost of a carload of sacked oats by $10. I hope the minister will reconsider that item, also the duty on caustic soda, which would help one firm in this country, at the expense of the whole people.

As to the steel duties, possibly these people could not have got along without as

high a duty as $3 on wire rods. But they could have taken other courses. I am quite sure they could have reduced their capitalization, for instance, and they could have put their brains to solving how they could successfully compete with other manufacturers. Why should not the Dominion Steel Company compete? They have the ore almost at their door. They get it by boat from Newfoundland, which is practically at their door. Coal is actually at their door. I am sure that nobody in the world can beat them, so far as their proximity to coal is concerned. They get their ore cheaper than any similar industry in the United States. The ore used in the Cleveland and Pittsburg steel works is got from the lake Superior district. It has to be taken down there by boat, and ore destined for Pittsburg has to be transhipped; as regards Cleveland, the ore is taken right into their yard. In both cases, however, the ore has to be carried much further than in the case of the Dominion Steel Company. I do not think a concern of that size should be encouraged to come to the Government clamouring for assistance. They have had assistance from the public for several years, and should now be in a position to compete with the world.

That brings me to the question of agricultural implements. The minister has made a reduction of 5 per cent on mowers and binders. That means 5 per cent on the valuation of a binder or mower entered for duty. In the case of a binder, that would mean a reduction of about 3 per cent on the selling price and about 7 per cent on the material and labour cost.

Everybody in the manufacturing business knows that the manufacturer does not reduce or increase his retail price on account of a saving or an extra cost respectively of five per cent on his raw material. It would be too much trouble for him to change his price list. The minister could easily have strained his conscience to reduce the duty by at least seven and one-half per cent on these implements and I see no reason why he should not have reduced the duty on several other items of agricultural implements, such as cultivators, ploughs, horse rakes, seed drills and manure spreaders, without doing harm to the industry. Potato diggers are not manufactured in this country. Double corn-planters—I do not mean double corn cultivators—are not manufactured in this country.

Mr. COCKSHUTT: I think they are manufactured in Canada.

Mr. NESBITT: There may be some manufactured in Canada; but, if so, their manufacture has been commenced very recently.

I was very much surprised first at the hon. the Solicitor General (Mr. Meighen) and the other day the hon. member for South Perth (Mr. Steele) quoting what I said at a meeting at Woodstock. I did not think I would get any notoriety outside of Woodstock and I thought I had very little there. They stated that I had said at a public meeting that we had in the proposed reciprocity agreement taken two and one-half per cent off the duty on wagons and five per cent off other articles; that I thought the Bain Wagon Company could compete with the rest of the world with that two and one-half per cent taken off; that I did not think the Government would reduce the duties any further, and that I thought the farmers should be satisfied. I repeat that exactly this afternoon. If we were to take all the duties off all agricultural implements this afternoon, it would be only a circumstance in comparison with what the farmers would have received under the reciprocity agreement. There would be no cry in the West to take the duty off agricultural implements if the reciprocity agreement had passed. The farmers of the West would have been perfectly satisfied to pay more for their agricultural implements if they had had an open market in which to sell their goods and they would have had the money to pay for these implements. I do not believe there would be any such agitation for the duty to be taken off agricultural implements if reciprocity were in operation. I firmly believe that the farmers of Ontario and the West would have been absolutely satisfied with the reciprocity agreement as it was framed. At the time of that agreement I, as a brother manufacturer, told the manufacturers, publicly and privately, that I thought they were the most short-sighted people in this country. They were the people who raised class feeling, because they made an unnecessary attack on the benefit that the farmer was to receive under the reciprocity agreement. The manufacturers of Canada were not affected by that agreement. I told them then, and I tell them now, that they made a great mistake when they opposed reciprocity, and they will sooner or later find out their mistake. I am speaking now as a manufacturer as much as a farmer. I am as much interested in manufacturing, according to my means, as any man in this House.

Under the reciprocity agreement we took 2½ per cent off the duty on some implements, but we took 5 per cent off the duty on a list of implements, which is more than my hon. friend has done. In addition to that, we gave the farmers the opportunity to trade with the world and, so far as I know from a farmer's standpoint, that is what they ask for and that is what they are going to have.

Mr. A. DeWITT FOSTER: Why was 2½ per cent taken off only two implements and 5 per cent off others under the reciprocity agreement?

Mr. NESBITT: Because the others had a higher protection; and that is why some of the others could have stood a further reduction under the present proposition, because they have a higher protection and also because the manufacturers of some of these implements have recently increased their output in this country so much that they can compete successfully with the American manufacturers. It does not always follow that because a tool is cheap a man is going to buy it. Farmers exercise discretion in buying, just as a man will do when buying a suit of clothes. If I were going to buy a plough, I may say that I would buy a Cockshutt plough, even if I had to pay $5 more for it. I am not sure that I would not buy a Massey-Harris binder—I think I would. It does not necessarily follow that, because the duties are taken off, the manufacturer of agricultural implements cannot compete or that he cannot get a market in the United States. I am interested in a little industry that makes tools approaching agricultural implements, and we have sold them in the United States against a very high duty. Unless we get information to the contrary, I feel that, without hurting the agricultural trade, we can take the duty off certain classes of agricultural implements for the benefit of the farming community of this country.

I have no objection to offer as to the Massey-Harris people, and I have no comment to make on them, because, like the Cockshutt people, I am personally proud of them as enterprising Canadian manufacturers. I would be very sorry to see them hurt in any shape, manner or form, but I think they can compete with other manufacturers without any favours being extended to them. They are competing in Australia, in New Zealand, in Russia, in France, and sometimes I believe they have even butted into Germany. I am endeavouring to speak in the interests of the country at large, without any prejudice against any human being or any industry in Canada, and I do not see why these people cannot compete in Canada against other manufacturers, when they can compete with them in the open markets of the world. It is said that the freight rates from Chicago to Winnipeg or Calgary are against the Canadian industry, but not having these rates before me I will not be certain as to that. We must, however, bear in mind that they get a drawback on their steel and iron, and that they have that advantage over other Canadian industries.

Let me refer to the question of free wheat. I must say that I was never more astonished in my life than when the Minister of Finance announced in his Budget speech that the Government would not give the western farmers free wheat. I see no possible reason why they should not be given free wheat. They have demanded it; they are the people interested, and in my opinion they should get it. I admit that there are some arguments against it, but so far as the farmer is concerned there can be no two opinions but that it would benefit him. If the farmer wants free wheat, I do not see why he should not have it. So far as I know the farmers of Ontario, they are perfectly willing that the farmers of the West should have free wheat.

Mr. BEST: You do not know the farmers of Ontario very well.

Mr. NESBITT: I think I know them better than you do, and I think I know them as well as any man in Canada does; and, speaking absolutely from the standpoint of the farmer's interest, and my own personal inclination, I am perfectly willing that the farmers of the West should have free wheat, and I raise some wheat myself. As a matter of fact, the farmers of Ontario may be selfish, because they do not grow much wheat for sale, and they do not care whether they sell the wheat they grow, or not. If my hon. friend (Mr. Best) lives in a section of the country where they are depending upon selling their wheat crop, I wish he would come up and visit me and I will take him around for a week and board him for nothing, and I will show him where farmers do not need to grow wheat for sale, and I will guarantee they are making as much money as are the farmers in his section of the country. We

grow wheat in our section of the country more for the straw than we do for the wheat.

Some hon. MEMBERS: Oh, oh.

Mr. NESBITT: That is funny, is it not?

An hon. MEMBER: It is.

Mr. BEST: The country will know now the class of farmers you have up in your section of the country.

Mr. NESBITT: Yes, we want the straw for bedding. There is not a farmer in my section of the country who grows wheat for the purpose of making money out of the sale of it; there is not a farmer I know of in my section of the country who would sell wheat at less than eighty cents a bushel, and there are some of them who would not sell it for ninety cents a bushel. They feed their wheat, and at anything less than eighty cents a bushel it does not pay them to sell it. If my hon. friend (Mr. Best) is sufficient of a farmer to keep track of what it costs him to raise pork and what it costs him to raise wheat, he will find that if he has not to sell his pork at less than seven cents a pound, and his wheat is anything under eighty cents a bushel, he had better feed his wheat to his hogs.

Mr. BEST: I made money on pork at five dollars a hundred.

Mr. NESBITT: No you do not; you would starve to death selling it at five dollars a hundred.

Mr. A. K. MACLEAN: He is not a farmer.

Mr. NESBITT: I do not think he is. Let me state another reason why the Government should have provided that wheat should be free. The western farmer tells us that the United States markets are open for their wheat, but a number of hon. gentlemen opposite have said: What is the use of trying to make a market for our wheat in a country which is a wheat exporting country itself. That sounds reasonable, but at the same time I heard the hon. member for Brandon (Mr. Aikins) state the other night that wheat was three or four cents a bushel higher in Minneapolis than in Winnipeg, and he also read letters to show that wheat that graded No. 1 in Minneapolis, graded only No. 2 or No. 3 in Winnipeg, so that there is a spread of from three cents to five cents a bushel between No. 1 and No. 3. One of the best farmers in Canada, and one of the largest farmers in Alberta, authorized me to state that he himself had sent a sample to Minneapolis and a sample of exactly the same wheat to Winnipeg, and the Minneapolis sample was graded No. 1, whereas the Winnipeg sample was graded No. 3. Under such circumstances why not let the farmer have the better opportunity?

Mr. BLAIN: Did the hon. member notice the quotation given in this House last night as to the prices of wheat in the United States market and in the Canadian market, as quoted in yesterday's Toronto Globe and in the Mail and Empire?

Mr. NESBITT: That is for July option; I am not a gambler.

Mr. BLAIN: In Minneapolis the price of May wheat was eighty-nine and a half cents, and in Winnipeg it was ninety and a quarter, and in Minneapolis the price of July wheat was ninety and three-fourths cents and in Winnipeg ninety-two cents.

Mr. NESBITT: The citation the hon. gentleman gives us does not prove anything, for the simple reason that it only refers to the conditions existing at this time of the year. We have got to have in Ontario a certain amount of western wheat to mix with our softer wheat, and we have to pay the price for it, no matter what it is. After the rush in the fall of the year, the wheat is held to a very great extent at the present time, not by the original farmer, but by the buyer, and the buyer naturally must have his profit on the wheat. In October, November and December, when the great rush of wheat is coming out, that is the time when the farmer himself is interested in the price, and not the buyer or the warehouseman, but at this time of the year the probabilities are that Winnipeg is quoted higher than Minneapolis, because fresh wheat is coming into Minneapolis.

There is one thing of which I would like to warn the growers of the West, and they might as well face it fairly, because it is coming, whether the Government wants it to come or not. If there is free wheat between the United States and Canada, the Ontario millers will buy American wheat, at certain times they will buy Kansas wheat when it comes in. So also will the large millers in the West be able to buy American wheat if they want to. That is for the farmers of the West to take into consideration. They must bear in mind that if they get themselves into a position to hold on to their grain until the best market offers—that is what we do in Ontario—they will have competition, with the American wheat coming into Ontario and perhaps coming in for the use of their own millers in the West. The Minister of Finance says that

the millers are opposed to free wheat. Well, the millers may be surprised very much. I know that the millers of Ontario are changing their minds on that subject very materially. For the millers of Ontario have stopped exporting flour; they cannot export it and compete. England, we know, takes wheat from all over the Footstool wherever it is to be had for trade. As I recollect it, England has five-sixths of the carrying trade of the world. She has to trade with the people who trade with her, and if any country has export wheat for sale and England expects to sell her manufactured goods, then England must take that wheat. But the English miller has got so wise that he can take these wheats and wash them and mix them to make as good a flour as is required in England, or as good as we could make in this country out of our better-class wheat.

Mr. ALFRED THOMPSON: Would the hon. gentleman inform the House what class of millers have changed their minds with regard to the export trade?

Mr. NESBITT: I think the Ontario millers are changing their minds.

Mr. THOMPSON: You think they are?

Mr. NESBITT: I know they are.

Mr. THOMPSON: Who are they?

Mr. NESBITT: The hon. gentleman does not want me to name all the men who have mills—it would take all afternoon. The point is that the small miller in Ontario cannot compete in flour in the English market. He recognizes that. Here is a letter from a friend of mine:

Mr. A. K. MACLEAN: A miller?

Mr. NESBITT: Yes.

I am unable to continue the export business, in fact, have practically severed the connection with my Glasgow people. We have not been able to compete with their home millers on Manitoba flour, and buyers are able to get Australian winter wheat flour much cheaper than Ontario. Australian flour costs, delivered in Glasgow, $4.20 per barrel, while our Ontario wheat flour would be worth $4.62 per barrel.

Now, Ontario millers, as I have said, will buy American wheat, in my judgment. To-day, Manitoba wheat at lake ports is quoted at 96½ cents for No. 1, and 94¾ cents for No. 2. The Ontario miller has to pay freight from Georgian bay ports to his mill, and he can grind that and ship in on to the Maritime provinces at the same rate plus two cents for stopover—he grinds it in transit, as it were. So that is what I want to warn my western friends of—that American wheat, in my judgment, will come into direct competition with them. If, in the face of that, they still want free wheat—and I think they will—why should not we give them their way? They are the judges; they are not fools; they know what they want; why not give them what they want?—what harm would it do the rest of the country? Let me explain that in speaking of Ontario millers I do not speak of such mills as the Maple Leaf, but of the smaller millers. The Maple Leaf may be able to compete in the English market. It has one of the best mills in Canada, and particularly well situated at Port Colborne. Being at the foot of the lakes it is favourably situated both as to bringing in wheat and sending out flour. Somebody said the other day that the flour shipped to England was not as good as the flour here. I came down on Sunday night with a baker who pretended to know all about this business, and he claimed that the flour in England is as good as the flour here. He said that the English consumer demands as good a flour as ours, but different—not as dry a flour. They seem to know their business, anyway, and I suppose they have just as good bread in England as we have in Canada.

As to the large millers and their ability to compete, I have never heard an argument that has convinced me that these large millers of western Canada cannot compete. I do not see what is to prevent them. They are right on the ground; they have means to buy wheat and store it in the fall and carry it over. That is the trouble with the Ontario miller—he has not the means to carry over wheat, and he has no storage facilities. If he had, it would not cost him nearly as much as it does to buy, not from the farmer but from the dealer who, at a certain time of the year, as now, raises the price whether at Winnipeg or lake ports. Large western mills, such as the Ogilvies and Lake of the Woods, have storehouses and elevators, and I do not see why they should not compete. They say that the ocean rates keep them from competing with the English mills. But if that is the case, it has nothing to do with this question, because it would be the same whether there was free wheat or not. I read in the North Western Miller that the American millers complain that their export trade is falling off, that they cannot compete with the English and Swiss millers. As statements have been made as to the profits of these large flour mills, I think I had better put the exact

facts before the House. Here are the headings of recent reports:

Ogilvie profits show good gain—Increase of $55,303 reported with earnings on common 13.27 per cent—in a strong position—properties show surplus of $2,000,000 over book values—Goodwill reduced to $1.

So, it was not 30 per cent or 60 per cent, as I have heard it stated, but 13·27 per cent on the common stock. I know nothing about their capitalization. Here are the headings respecting Lake of the Woods:

Lake of Woods had good year—Earnings at rate of 30 per cent on preferred and 15.46 on common—Best since 1908-09—Profits 20 per cent higher than last year—After liberal writing off good surplus was carried forward.

They made a fair profit, and the probabilities are, I think, that they will be able to compete in the British market.

The Minister of Finance, in explaining why he did not grant free wheat to the people of the West, told us that we were building two transcontinental railways and soon would have three such railways for operation. That is one thing which would, I think, solve the problem of freight rates. You cannot make me believe that the Americans can carry that wheat first south and then to the seaboard cheaper than we can carry it direct. I think that the mere allowing of open shipments—that is, allowing the western people to make the best arrangement they can as to freight rates to the seaboard— would be the means of settling this very vexed question of transportation. I believe the railways can compete; I would be the last one to raise my voice in support of anything under which the railways could not compete.

That brings me to the question of railway expenditure. The Government started to assist in the construction of a transcontinental railway which was to be built for the sole purpose of relieving the congestion in the West and lowering freight transportation charges. I believe that had the road been built as it was first decided to be built, it would be quite possible to reduce freight charges and still have a profit on the road. The expenditure of a few millions of dollars would not have made any great difference, in view of the vast traffic that will be built up in the West. It is not right to say that the farmers of the West will not get better prices for their wheat if the market is opened to them and to say at the same time that the wheat will be carried south; that is utter folly. If the farmers do not get better prices for their wheat in the south they will continue to ship it to the east. The Minister of Finance said that after the market is open for a day or two the prices in Minneapolis and the prices in Winnipeg will meet. I quite agree with that, but I do not agree with his suggestion that the price in Minneapolis would lower the price in Winnipeg. I do believe that the two would meet, but I think that the price in Minneapolis would raise the price in Winnipeg to a considerable extent; that is what happened in connection with the cattle shipments to Buffalo and Toronto. Any one who follows the market knows that when the United States duty was taken off cattle the price in Toronto jumped from 50 cents to $1 per hundred; the price in Buffalo decreased considerably, but not to the extent of meeting the Toronto price by any means. The prices met half-way, or a little better in favour of Toronto. I have heard good farmers in my section of the county say that the removal of the duty on cattle going into the United States was equal to an increase of $5 an acre in the value of land in the county of Oxford. How they made that estimate, I cannot say, but I do know that free access to the United States market would increase the value of land throughout Ontario.

The hon. member for Brandon (Mr. Aikins) the other day gloried in the fact that the present Government is building the Hudson Bay railway, and he condemned the late Administration for not building it. Let me say that if there is anything which I shall be proud of in the future it is the fact that we were not stupid enough to build the Hudson Bay railway. From what I have read of the Hudson Bay route I cannot see how it would be possible to lower the freight charges by the transportation of grain by that route. I am told that the road cannot be considered as a colonization road—that there are no lands to colonize there—and if that is the case I am quite sure that it is not worth while building a railway at enormous cost merely for the purpose of transporting the fish that may be caught in Hudson bay. It would be cheaper to assist the Temiskaming and Northern Ontario to reach James Bay and let that railway carry the fish to the thickly-settled parts of the country where they are required and where the people pay very high prices for fish even at the present day.

Mr. LALOR: Is it not a fact that the late Government committed the country to the building of the Hudson Bay railway?

Mr. NESBITT: Quite right; they were foolishly committed by the violent clamour of the people of the West at that time to the building of the Hudson Bay railway. I hope to live five or six years longer, and if I do you will find that I am absolutely right when I tell you that the Hudson Bay railway will never pay for the carrying of that fish from Hudson bay; it will never pay as a route for the transportation of grain. We have three transcontinental roads without it, and the construction of this road will involve an expenditure of $150,000,000 of public money for which we will receive no benefit. I was pleased to hear the Minister of Public Works announce this year that he was going to appoint a committee of business men to inquire into the commercial value of the Georgian Bay canal. This inquiry is, I understand, to be made not from an engineering standpoint —because engineers can do almost anything nowadays; they will be trying to build a road to Mars one of these times—but from the standpoint of its commercial feasibility, I tell the minister that if he appoints a committee not for political purposes—a committee of genuine commercial men who know something about business conditions, they will report against the Georgian Bay canal, just as they would have reported against the Hudson Bay railway, to the cost of which there is practically no limit, and which is a pure chimera.

When our friends on the other side talk about the home market, surely they do not pretend to say that they would not sell to anybody outside of the home market. They do not pretend that they would not export if they had the opportunity to do so; that would be ridiculous. Nor do we pretend that we would not sell at home; that we would not take advantage of the home market as well as of the export market. What we want to do is to encourage the country to produce, and to sell all we can produce in the best market. I have the following clipping as to the demand on the continent for Manitoba wheat:

Montreal, April 20.—There was an increased demand from the continent for April spring wheat in nearby positions, and as the prices bid were fully three cents per bushel higher than those from the United Kingdom, some business was worked.

What do we care whether the market we obtain is on the continent, in South Africa, or in China—with which country the hon. Minister of Trade and Commerce says he is trying to work up trade—so long as we can sell our goods in the best market and to the best advantage? If our hon. friends are consistent in the theory that protection is the only policy for this country, then why not put back the protection on corn, fence wire and binder twine? My hon. friend from Essex (Mr. Wilcox) the other day, speaking on corn, advised the Government to put a duty on corn—and I dare the Government to put a duty on corn or binder twine or fence wire.

Mr. WILCOX: Does my hon. friend think it fair that there should be such discrimination in freight rates that the producer of corn in the United States has the advantage of the Canadian market by four cents over the farmer who produces corn in the county of Essex?

Mr. NESBITT: Certainly not.

Mr. WILCOX: That is the condition.

Mr. NESBITT: I quite agree with the hon. member that that is not right.

Mr. WILCOX: I sometimes pay a great deal of attention to what is said by the ex-Minister of Railways and Canals (Mr. Graham). He said that Mr. Mabee had been sent to Washington with a view to arranging an international commission, that under present conditions the Board of Railway Commissioners for Canada did not have jurisdiction to adjust a rate between a point in a foreign country and a point in Canada. Therefore, under present conditions, a rate is established from Chicago to a point in Ontario over which the Board of Railway Commissioners has absolutely no jurisdiction, and the only way we can have that matter rectified is by a duty.

Mr. NESBITT: The hon. member will not say that Mr. Mabee was not right in trying to get an arrangement between the two countries?

Mr. WILCOX: Absolutely right, but he did not get the result, and therefore we are under that disability.

Mr. NESBITT: We try so many things that we do not get; but we were on the right track, and Mr. Mabee did try to secure an arrangement between the board and the Interstate Commerce Commission of the United States to control the international freight rates.

Mr. WILCOX: I am glad that Mr. Mabee made the attempt, but no result

was obtained, and therefore we are labouring under that disadvantage.

Mr. NESBITT: That is for our present Government to continue and try and get the result. We did the best we could, and I hope my hon. friend from Essex will urge the present Government to try and get any such discrepancy as that rectified. It is absolutely unfair.

Mr. WILCOX: I intend to.

Mr. NESBITT: I still adhere to what I said in the first place that we want a tariff for revenue. We want to assist all we can new industries, but there are industries that do not require assistance, and it is absolutely unnecessary for us, at the expense of the ordinary citizen, at the expense of the general consumer, to impose unnecessary duties on any articles, and thus increase his burdens. Let me warn the Finance Minister that there is nothing so dangerous for a government as an over-surplus and it is not legitimate for the government of a country to take too much of a surplus out of the pockets of the people. It is legitimate for them to collect sufficient to pay the legitimate expenses of the Government, not silly expenses as I pointed out. But it is not legitimate for the Government to collect from the people more than is absolutely necessary for the service of the country, and that is the sort of tariff we want. We want a tariff, in my judgment, that, while it assists as much as possible the growing industries, will not be a burden to the whole people of the country. I hope with all my heart that the Government will be wise enough to grant the people of the West what they want without stirring up this local feeling of West against East, which is absolutely unnecessary and uncalled for.

Mr. ALFRED THOMPSON (Yukon): Mr. Speaker, I desire to make a few observations on the Budget speech delivered by the Finance Minister a few days ago. In following the hon. gentleman who has just sat down (Mr. Nesbitt) I want to congratulate him upon the very clear manner in which he has presented his views on this interesting subject to the House. In some things I agree with him. I am rather glad to find that he is a moderate protectionist, as I am. In other things I do not agree with him. In his strictures on the financial statement which was presented to the House by the Finance Minister, I cannot agree with him in his conclusions. I find that in the two years since the Minister of Finance has been in office he has saved the country $6,000,000. I think the average reference to the national debt is such an abstract proposition that the average man does not grasp it. I shall therefore only make a passing reference to it. I find that the net result of the operations of the Minister of Finance was a net reduction in the national debt of $6,000,000 in two years. It might be worth observing that the Liberals increased the national debt during the four years previous to 1910 by $70,000,000, and in one year 1898-9, by over $46,000,000; so that the financial record of the two parties might be fairly said to be in favour of the Conservatives. The hon. gentleman says he is a moderate protectionist, yet I observe that he did not advocate the abolition of the duty on agricultural implements, which is somewhat at variance with the position of other members who support the right hon. the leader of the Opposition. He would still have a duty on agricultural implements. What I understood him to say was that he would prefer a further reduction of two and a half per cent, that the industry could stand that; but he was not himself in favour of abolishing the duty. I am sure that the House and the country will be interested to know that in Ontario they raise wheat just for the straw.

5 p.m.

Mr. NESBITT: I did not say that I was in favour of some free agricultural implements.

Mr. THOMPSON: I think the hon. member was a little unjust in his reference to the policy of this Government with regard to the Hudson Bay railway. If my memory serves me aright, this country and this Parliament were committed to that policy by the predecessors of the present Government. That project was launched in 1910 and was referred to in the Speech from the Throne of that year. It is one of the legacies that have come down to this Government from their predecessors, along with the Grand Trunk Pacific and a few more.

Mr. LALOR: A good many more.

Mr. THOMPSON: Several, but I will not stop to enumerate them. Canada has stood the strain remarkably well, and I desire to congratulate the Minister of Finance on the condition of our finances during the past year. When we consider that the financial depression was not local, but affected every civilized country in the world, I think we may congratulate ourselves on the way Canada stood the strain. What are the facts? The past decade has been a

period of great expansion. We have spent money in public buildings from the Atlantic to the Pacific. Money has been invested in private enterprises and in the expansion of our manufactures. We have borrowed money from the markets of the world for our municipal and railway enterprises. Some of those enterprises immediately produce revenue. For instance, the money spent on private enterprises and manufactures, if successful, is immediately productive. But there is a class of investment which does not immediately return a revenue. I refer to the money invested in municipal improvements—streets, sidewalks and the like. Such improvements are not for this generation solely, but will be used by the generations to come. The same is true of our investment in transcontinental railways. We do not finance them for one decade, but for several generations. When we consider that Canada has borrowed largely from the world for enterprises productive and partly productive, I say that the condition of our country is one which every Canadian, Liberal or Conservative, should be proud. An enormous amount of capital has also beeen invested in unproductive real estate throughout this country, particularly in the West. Millions of dollars have been absorbed by unproductive land in the cities and towns throughout the country, and until prosperity returns those investments will bring no returns. It is times such as we had last year that test the props which support the country and the material upon which we have built our civilization. Canada has come through the test well, which shows how sound are the foundations of our prosperity. Notwithstanding the pessimistic note which pervades some of the speeches of hon. gentlemen opposite the keynote of Canada to-day is optimism. The people of this country have a profound faith in Canada. Hon. gentlemen opposite may cry 'wolf, wolf,' and 'blue ruin,' but I tell you, Mr. Speaker, that the foundations of this country are secure in our great national resources. The Minister of Finance sounded that note of optimism in his excellent speech. He said that the beacon light could already be seen in the harbour of prosperity, and that in a short time we should again experience a period of prosperity. As I said, the depression last year was world-wide, and to produce a world-wide result there must be world-wide causes. The causes are easy to discern: over-production and over-expansion, which used up the surplus capital. Because of the easy manner in which people to-day can travel from one country to another, money was got in the borrowing centres of the world for various enterprises. The over-expansion and over-production used up the capital, and, as we say in medicine, that had a cumulative effect. Trade slackened and municipal improvements ceased for a time. Our railways are not earning what they were; but the operation of that law is not confined to Canada. It applies universally. It is only a phase in the financial cycle through which Canada and the whole civilized world is passing, and this Government is no more responsible for that phase than it was for the appearance of Halley's comet a few years ago. I clipped the following figures from the Ottawa Evening Journal a day or so ago. The New York Central railway has laid off 25,000 men, the Pennsylvania railway 40,000 men. The latter road has also cut off 118 trains, and many other railways in America are doing the same thing. Surely financial conditions in other countries are worse than in Canada. Our national resources are illimitable and immeasurable. The basis of our wealth is our four great resources: our farms, our mines, our forests, and our fisheries. The fluctations in real estate do not really affect the foundation of our wealth at all.

It is to administer and develop that vast heritage of resources that our Government must address itself. The point is, which policy shall we adopt to develop that heritage? The issue between the two parties is distinct and clear. There is nothing like having a good clear battle-cry when you are going to fight. The Minister of Finance placed the policy of his party fairly and squarely before the people of Canada. He stands, and the men behind him of the Conservative party stand, for a moderate protection. Let me read what he said. He enunciates the creed of the Conservative party so clearly that it stands out in relief:

> We believe it is the best, indeed the only and in a sense the inevitable policy for Canada, situated as it is geographically and in the existing fiscal conditions of the world to-day. Under that policy Canada has prospered in the past and will continue to prosper in the future. We believe it to be the true policy for Canada and for every part of it if we are to regard as desirable stable business conditions and a diversified national life throughout the Dominion.

That has been the policy of the Conservative party since 1879, and it is worth while to note that in 20 of the 35 years since 1879 the destinies of Canada have

been governed by this party and by that policy. This party stands or falls by the policy of moderate protection. Where do our friends opposite stand ?

Mr. SCHAFFNER: Anywhere.

Mr. THOMPSON: I will admit that their policy is a little vague, a little tenuous and shadowy, and in places almost impossible to trace. In passing, it is worthy of notice that the financial critic of the Opposition, the junior member for Halifax (Mr. A. K. Maclean), declared for free trade in food products. The hon. member for West Kent (Mr. McCoig) does not want to encourage mixed farming in the West because the products of the West would compete with the products of the farmers of Ontario. I am giving, in passing, some phases of the Liberal policy. The hon. member for South Cape Breton (Mr. Carroll) out-herods Herod in the protective side of his speech, because he wants a bounty put on steel; he wants protection on diamonds and free trade in everything else; and incidentally he read the Hon. Mr. Sifton out of the Liberal party. Every one knows that we have no duty on diamonds because it is so easy to smuggle them into the country, that the Government decided that the best thing to do was to put them on the free list; but my hon. friend would encourage smuggling by having the duty reimposed. The ex-Postmaster General (Mr. Lemieux) frankly admitted that he was a moderate protectionist. It is well known in this House that my hon. friend the member for Red Deer (Mr. Clark) is an out-and-out free trader. But of all the hon. gentlemen on the opposite side of the House who have spoken I wish to refer particularly to the hon. member for Westmorland (Mr. Emmerson), who is exceedingly penitent. It is surprising how a few years in the cool shades of Opposition modify the sentiments of some hon. gentlemen. He is now rather radical. He says:

> For all these reasons, and because of their greed, the manufacturing and industrial interests are the enemies of democracy.

That is from one who was Minister of Railways in the Cabinet of my right hon. friend. Again he says:

> I am an out-and-out free trader and I wish circumstances permitted the adoption of free trade. I am to-day where I have always been.

Has he always been there? Was it a free trade Government in which he served? I do not think so. My hon. friend's present position reminds me very much of the little verse on the illness of his Satanic majesty:

> When the devil was sick the devil a saint would be;
> When the devil was well the devil a saint was he.

But where is the distinguished gentleman who leads the Opposition? So far as free food is concerned, he has crossed the Rubicon. He advocated free food at Hamilton; he voted for free wheat and free implements. Where does he find himself to-day? It is well known that, when my right hon. friend was captain of our ship of state and walked the quarter deck as Premier of Canada, there was no division in his ranks as there is to-day. How does this happen? Is it because the patronage is not present? Why is it that so many different opinions are expressed to-day by hon. members of the Liberal party? It is because that party has no policy. My right hon. friend to-day leads a divided party, a party which is as much without a plan or a policy as it is without power. This is what the News-Advertiser of Vancouver says of the Liberal party to-day:

> The fact is that there are two Liberal parties with quite different principles. One is the party when in office, the other is the party when in Opposition. The former is protectionist. the latter is free trade. The former acts; the latter talks. Opponents of the National Policy have nothing to hope from either of them. The Liberal party in Opposition is powerless to abolish protection; the Liberal party in office is powerful to maintain it.

The different policies propounded by our hon. friends on this great question show that they are divided. To-day the Liberal ship finds itself in a troubled sea sailing without a compass, without a chart and without a course. This country is no Utopia, no New Atlantis or other ideal state conceived in the mind of some philosopher; this is Canada in the twentieth century, a country that requires a strong policy with a strong party to advocate it and to carry it out. Such is the policy which we have in Canada to-day, and we have a party in power to carry out that policy. So far as we on this side of the House can distinguish, the policy of our Liberal friends has been crystallized up to date in free implements, free wheat, and—although they have not yet seen fit to bring in a resolution advocating it—the leader of the Liberal party has outside this House expressed himself as in favour of free food. I represent a constituency whose chief output is gold.

In the Yukon we have three exports: gold,

copper ores, and furs. Our chief export is gold; and, if there is any section of this country that should favour free trade, it is the territory which I have the honour to represent, because we produce there the medium of exchange. We have no difficulty at all in marketing our products; everybody wants them. During the last fifteen or sixteen years we have produced very nearly $200,000,000 worth of gold; in the year 1913 we produced a little over thirteen tons of the yellow metal. Although we might therefore be supposed theoretically to be free traders, we are not; we are Canadians who believe in a policy for the whole of Canada as well as for the Yukon. We have to come to this federal Parliament to get the grants necessary to develop that territory, 4,500 miles from the place from which I speak, and we know from experience that the moneys of this Government cannot be got except by encouraging the industries and the trade of this country. That is why we are protectionists; because we believe that protection is the best policy for Canada and therefore the best policy for the Yukon.

The Yukon territory is huge in extent, 200,000 square miles, and the last page in its history has not by any means been written. There is in Russia a province similar to the Yukon in area and climatic conditions, the population of which is over one and a half million people; and the Yukon territory is capable of supporting a very much larger population than it has at the present time. Its development is only beginning. The United States Government has recently voted $35,000,000 for railway development in Alaska, and it is only a question of time when we shall come to this Government and ask for the extension of the Grand Trunk Pacific through the northern portion of British Columbia and Yukon to connect with the Alaskan railway system at the boundary line.

With regard to free wheat, these are the arguments which the Minister of Finance has submitted and which have as yet been unanswered by the Opposition:

1. High prices in Minneapolis are due to a local demand for hard wheat. This condition would disappear as soon as our wheat went in free, as the demand is limited.

2. Canada and the United States both export wheat. Therefore the Liverpool price governs.

3. Canadian wheat shipped to the United States would lose its identity, which identity is an asset.

4. The millers have to pay duty on their machinery; and if flour were free, they would be better off under free trade. This is logical, and shows us where the Liberal policy takes us. The policy outlined to-day by the Liberal chieftain tends directly to free trade for Canada.

5. Different latitudes yield early and late wheat, giving an advantage to the wheat of the United States over ours.

6. It would kill the milling industry in Canada.

7. There is no permanence in the United States tariff, and therefore we would not be warranted in incurring the necessary expenditure in developing the market.

8. Mixed farmers need the by-products, which are said to be dearer in the United States, and therefore, if the duty were removed, they would be dearer in Canada.

These are powerful arguments for keeping the duty on our wheat, and I have yet to hear an hon. gentleman opposite answer categorically the arguments of the Minister of Finance. These arguments seem sound to me, and, until I hear better arguments in opposition, I intend to accept them. What he said was, that we were building two transcontinental railways, and opening up the Hudson Bay route, and he asked the people of the West to wait until it was known what effect these new transportation routes would have upon the export trade and the transportation rates. Reasonable protection for our industries has been the traditional policy of Canada ever since the abrogation of the reciprocity treaty between us and the United States in 1866. We have been bending all our energies for nearly fifty years towards the development of this home trade, and what the Liberal party wants now is, at one fell swoop, to destroy this structure to the erection of which the best men who have ever adorned Canadian statesmanship have in the past devoted their talents.

We have 9,500 men employed in the agricultural implement industry, and there are 50,000 people depending for support on the labour of these men. Our friends opposite advocate free trade in agricultural implements, with the probability of wiping out this Canadian industry, and it is reasonable to ask them why, if they think it is a good policy, they did not put it into effect when they had the power, and why, now that they are in opposition, they wish to take a scythe and cut down this great industry. What

care they now for the prosperity and well-being of 50,000 of their fellow-Canadians, so long as they think they can, by advocating such a policy, gain some votes in a certain part of this Dominion. In the textile and other industries there are many women employed, but let it be remembered that in the agricultural implement industry the employees are mostly men who support families and maintain happy homes. Is it not a serious thing to propose to wipe out such an industry? If you take the duty off agricultural implements, it would be illogical to leave the duty on the raw material, and as I understand the hon. member for Red Deer (Mr. Clark) is to speak in this debate, I would draw his attention to the fact that the logical outcome of the policy now advocated by his political friends must be free trade for Canada. That is a doctrine which I will not and cannot endorse. I would also invite my hon. friend's attention to a speech made in this House on December 3, 1912, in which the hon. member for Wentworth (Mr. G. C. Wilson) pointed out that when the Liberals took the duty off binder twine there were fifteen factories manufacturing binder twine in Canada; that fourteen of these were abolished and that only one remained, while the price of binder twine is higher to-day in Canada than it was before the duty was removed.

Mr. MICHAEL CLARK: Then, why does your party not put the duty on again?

Mr. THOMPSON: I am propounding these questions to the hon. member for Red Deer, and when he comes to address the House he can give an explanation of them. I point out to him further that the same thing happened when the duties on barbed wire and coal oil were removed.

Mr. LOGGIE: The hon. gentleman surely knows that the increased price of the article he refers to is because the raw material has very much advanced in value.

Mr. THOMPSON: That is not what the grain growers in the West say.

Mr. LOGGIE: Oh, well, I know it is so.

Mr. THOMPSON: What the grain growers in the West say is that the price is advanced because of the monopoly which exists in the United States, and the grain growers of the West know that to be a fact. And yet these gentlemen opposite would wipe out this great industry, with the result as the Minister of Finance well said, of placing Canadian farmers in the maw of a great United States trust.

Another thing which hon. gentlemen opposite speak of is free food. When they adopted free food, England went free trade, and so must Canada adopt free trade if we are to follow the policy of the Liberal party. Let me point out that this policy of free wheat, and free agricultural implements, and free other things, originated in the West, and I shall address a few observations to what I think is the cause and cure of the situation existing in the West. In Alberta and Saskatchewan, the people have practically no diversity of employment; their efforts are devoted almost altogether to raising the products of the soil. Where did the Liberals meet with the losses last election which placed them in opposition; where did they gain seats, and where did the Conservative party make the gains which put them in power? In actually every province in Canada, except Saskatchewan and Alberta, the Conservative party made gains. And why? It is because the people of Canada are protectionists to the core; because in these older provinces we have diversity of employment and prosperous industries which have contributed in a large part to make Canada the great country it is to-day. In Nova Scotia, New Brunswick, and Prince Edward Island, manufactures are not developed to the same extent as they are in Ontario, but still in the Maritime provinces the Conservative party made gains. In the province of Quebec, where manufacturing industries are developed to a high state, the Conservative party made remarkable gains.

Mr. LEMIEUX: The naval question made the gains there.

Mr. THOMPSON: I am glad the hon. gentleman has drawn my attention to that. I have a profound faith in the genius of the people of Canada to govern themselves; I have profound faith in the optimism of the Canadian people; and I have a profound faith in the judgment of the people of Canada, and I believe that arguments directed to local prejudices and race passions do not appeal to our people. Examine the pages of our political history, and you will find that when the people of Canada tire of a government they do not turn it out piecemeal, but they wake up one fine morning and completely annihilate it.

Mr. PROULX: They will soon annihilate this Government.

Mr. THOMPSON: This Government will go down to defeat in time, but not so long as hon. gentlemen opposite are divided on the trade policy, as they are to-day. The usual course is for the people of Canada to put a government in power with a large majority, and to let that government govern the country, but as soon as the government does not legislate to suit them, they turn that government out of power in good shape, as happened in 1911. The moment the late Liberal Government attacked the traditional trade policy of the country, that very moment the people said, we want none of you, and out you go. In the great province of Ontario, the central province of Canada, where manufacturing has been carried to its highest state of development, there is where the Conservative party got their chief support. The result of the last elections, taking them generally, show that where you have diversity of employment and established industries, the people believe in protection. British Columbia, which has coal deposits, fisheries, horticultural lands, farm lands, diversified climate, diversified employment for the people, did not want reciprocity, and the seven members who represent that province are to-day supporters of the right hon. the Prime Minister. In Manitoba, where manufacturing is developed to a certain extent, but not to the same extent as in the eastern provinces, the Conservative party made gains also. In Saskatchewan and Alberta, in one case there was no change, and in another case there was a loss of two seats. Why was this? The people of these provinces are interested in only one industry, and, having no diversified employment, they require a large number of working people at certain times of the year, but have no employment for them at other times. The people of these two provinces, it is said, want free trade. But, Mr. Speaker, if I judge the people of Canada aright, on the whole they are decidedly opposed to free trade, and it is for us to find where the trouble is with these provinces, and if there is a remedy to apply it. I believe, Sir, that if there were manufacturing communities scattered throughout Alberta and Saskatchewan, you would no longer hear from the people of those provinces any talk about free trade. You will find that these people will be protectionists, the same as the people in eastern Canada. Why are these people not protectionists to-day? For the lack of two things: they have not cheap power and they have not cheap transportation. But these are some of the things to which this Government might well address itself. I will attempt to show the House how this problem may be solved, in my judgment. There are great water-powers in Canada, and one of the causes that will yet make Canada industrially great is to be found in the splendid water-powers scattered throughout the length and breadth of this country. Within a few miles of the city of Winnipeg there is a waterfall capable of developing 500,000 horse-power. Now, one horse-power to five people is about what they require for an industrial city. So, in that water-power on the Winnipeg river alone we have the means to keep going an industrial city of 2,500,000. Now, the public domain in these western provinces belongs to this Government—coal lands, water-powers and everything else. I say to this Government: Address yourself to that question; find out where the water-powers are; develop them and sell power, cheap power, to Manitoba and the other provinces. My hon. friend from Calgary (Mr. Bennett) knows that about 50,000 horse-power awaits development on the rivers within fifty miles of that city. At five people to each horse-power, this would furnish power for a city of 250,000 people.

It so happens that nature in dealing with Canada has been prodigal with her gifts, she seems to have placed things just where we require them. I have shown that at Winnipeg and Calgary we have these water-powers. There are other sections where water-powers do not exist and cannot be developed. But there we have another natural resource which can be converted into energy—I refer to the great beds of lignite coal underlying the soil of these prairie provinces. Any one who has paid attention to mechanics during the past few years will have observed that the gas producer for low-grade coal is a fact. It produces what is known as producer gas at a low rate of expense. The lignite coals of the West are such as can be successfully used to create that gas, and that gas will not only produce power, but it can be made the means of heating homes and factories. It is not very good for lighting, though it can be used for that purpose. So, I say to this Government: Continue the examination you are making into the lignite fields of the West; find out where the industrial centres are or are to be; find out how to

develop the power of lignite coal and sell it at a cheap rate thus encouraging the people to go into manufacturing. If you do this, you will have no more worry about free trade. In advocating this, I am simply pointing to the same course which has been followed in the East, for the East grew by developing its natural resources. I received in this morning's mail a booklet from Nova Scotia. The foreword is as follows:

> The position to-day of the manufacturing industries of Nova Scotia is shown in this picture-story. This country with its half million inhabitants affords a typical example of modern industrial growth.

That is the example I am attempting to picture for our prairie provinces of the West, with their great hidden natural resources.

> At one time exclusively a farming and fishing region, the province now possesses 1,480 manufacturing establishments, paying out $11,000,000 yearly to 38,000 employees. The industrial ascendency of Nova Scotia is broad based upon its immense deposits of coal, its great forests, its farms, its fisheries, its water-powers.

That can be duplicated in the West, and if we pay proper attention to these great natural resources it will be duplicated in the West. Besides the power which can be generated from lignite coal, there is a by-product in the form of nitrogen, which can be combined with sulphuric acid to make ammonia sulphate, which is most useful as a fertilizer and for which there is an endless demand.

These are some of the things which the West can do. As an example of what can be accomplished, I need not go farther than this province, in which we can point out what has been done in the development of water-powers. Consider what has been accomplished at Niagara. Did you see, Mr. Speaker, the vast delegation that came here the other day to ask this Government to subsidize radial electric railways in Ontario? Could such a thing have been thought of before Niagara had been developed? Not at all. Niagara power has made possible for this province this and many other things, and if its water-powers are developed, the same thing will come to pass in the West.

As I say, the policy of our friends opposite tends directly to free trade, and my right hon. friend the leader of the Opposition (Sir Wilfrid Laurier)—for whom, let me say, I have profound respect; he has carved high his nitch in our temple of fame—can hardly deny that his policy tends directly to free trade. We have in biology a condition known as 'reversion to type.' A man may inherit the qualities possessed by a progenitor of several generations back, which qualities, after being latent for a time, may develop strongly. Atavism this condition is called; and the distinguished gentleman who leads the Opposition is a case of political atavism—he is reverting to type.

I have some material on the cost of living, but this I will not submit, because I do not wish to occupy too much time. I wish to say a word about the progress made since my hon. friend from Red Deer (Mr. Clark) came to this country. I congratulate him on the number of converts he has made, judging by the speeches made in this House. He frequently refers—and I give him great credit for being an expert dialectician—to the economic progress of England and the doctrine of free trade. Mr. Speaker, the doctrine of free trade apparently suits the people of England—though we must not be too sure of that. But to hear the hon. gentleman you would think that England had always been a free trade country. England had a greater protection system than Canada ever had, and she had it for 500 years instead of for thirty or forty years, as Canada has had it. When we reach the same stage of economic development as they had reached in England, we may have free trade, too. In England they did not adopt free trade until they had developed an artisan to compete successfully with the best artisans in the world. Let me point out that England in former times had a double protection, not only the protection of import duties, but the protection of her trade guilds as well; and if ever there was a protectionist institution it was the trades guilds of England. They were close corporations. England in time developed this great industrial machine, and not until then did she adopt free trade. And she adopted that policy at a most fortunate time, before the great industrial nations, Germany and the United States, became what they are to-day. She adopted it at a time when practically the whole world was at war, and we know what war does for a country; it paralyses commerce and industry and destroys everything except the fighting spirit of the people. Following the adoption of free trade in England, came the war between Germany and Austria, paralysing the industrial energies of those two countries.

Then came the Crimean war, in which Russia, Turkey, France and England were engaged. Then came the Civil war in the United States, when that great republic was paralysed from the Atlantic to the Pacific, when manufactures were not carried on and could not be carried on. Following this was the Franco-Prussian war of 1870. England was there in her right little, tight little island, making commodities for the civilized world. This is why free trade was such a success in England in those days. It is not such a success to-day. Since that time, Germany, instead of being a few scattered states, has become one great nation, and is engaged in manufacturing in higher degree than England. The United States, since they finished their internecine war, have developed into perhaps the greatest manufacturing nation the world ever saw.

To-day England with her free trade policy competes throughout the whole world with those nations which have a high protective tariff. England has not always been a free trade country; she is not far from being a protectionist country to-day. I have under my hand statements, which I will not read, made by Bonar Law, leader of the Unionist party, and by Mr. Balfour, both of whom proclaim that what they want is protection for the British workman and further, that if they get into power they will put that policy in force. Then what becomes of English free trade? In my judgment it is absolute folly to foist free trade upon a country like Canada, at its present stage of development. Philosophers tell us that every nation goes through three stages: first, the period of free trade, when practically nothing is manufactured; second, the stage when the country begins to manufacture and when a tariff wall is put up to protect the manufacturer; third, the stage where a measure of free trade is adopted. We see that happening to-day in the United States. The United States, which is adopting a lower tariff, was for years the high priest of protection. When our economic structures are built up from foundation to roof; when our industries have reached the stage which the industries of the United States have reached, it may be that we shall lower our tariffs as the United States did.

I want to refer for one moment, for the benefit of the hon. member for Red Deer (Mr. Clark), to the two policies of protection and free trade as exemplified by Germany and Great Britain respectively. The population of Germany, under protection, has increased; her output has increased; the wages of her labourers have been increased, and the cost of living has decreased—all to a greater extent than the same lines have in England under free trade. I refer any gentleman interested in this question to an article in the British Review by Mr. T. Good, which deals with this matter in a clear and comprehensive way and which acknowledges the fact that the free trade system of Great Britain has been beaten by the protectionist system of Germany. He says that the changing of that system in England is only a question of time. This is the opinion of a man who is well acquainted with the two systems exemplified in Germany and in England. I may mention the fact that J. Stuart Mill, the great economic philosopher, favoured protection, and that Adam Smith, the founder of the science of economy, favoured protection in young countries to encourage the development of industries up to a certain point. Another economist in Our Modern Times refers to the policy of free trade in England as having absolutely failed. Yet hon. gentlemen opposite, without any careful thought in the matter, and after fifteen years in power as protectionists, wish to commit this country to a policy of free trade. This policy of free trade is no new doctrine. The following countries have, during the course of their history, adopted and abolished free trade: Greece, Rome, when she was competing with Carthage, Venice, France, Australia, Belgium, Germany, Russia, Sweden, Denmark, Spain, and United States.

One of the great fallacies of free trade is this: Free traders think only of the prices of the things they buy, but it is the ratio between what they earn and what they pay out that really matters. I do not believe in high protection; I believe we should have a moderate tariff, and a tariff commission to ascertain the cost of producing a given commodity in Canada and the cost of producing the same commodity abroad. The tariff can be based upon the difference in cost. If the Government wishes to give the manufacturers protection beyond that, all right; but let us have a tariff commission of experts to advise the Government—something that Canada has never had. Our tariff has been made in a very slipshod manner. Legislation to provide for a tariff commission was voted down by hon. gentlemen opposite, but this Government will put it into effect just as soon as it can.

The tariff is not a sacred thing; it is not handed down from heaven like the oracles of the living God. It is an instrument devised by mankind to raise taxes, and

I believe that it should be made a living part of our politics. It is a thing we have to use; it is a thing which the people of this country in the future will, I believe, continue to use. All economists agree that that country is wealthiest which finds the greatest amount of labour for its citizens. That is what we want to do in Canada; we want to make of Canada a great industrial nation, and the protective policy which this Government stands for will do that. We want to create an industrial system which will correspond to our political system, in which we carefully avoid sacrificing local interests to centralization. We want to bring the producer and the consumer closer together, because the home market is the best market—eighty per cent of our products are consumed by ourselves. We want to give employment to our own people and build up in Canada a great industrial nation. We believe that we can do this, because the people who populate Canada to-day are the most vigorous of the various branches of the Aryan race. Our country extends across the continent. Our back is against the north. We have shores on three great oceans. We have no hostile neighbours. We have great natural resources, which are just beginning to develop. Let us not do anything to interfere with our natural growth; let us create within our own borders a home market for our own people. Let us develop our great natural resources along rational and national lines and thereby build up in Canada a virile, vigorous nation—such, I believe, nature destined her to be.

At six o'clock, the House took recess.

At eight o'clock the House resumed.

Mr. LEVI THOMSON (Qu'Appelle): Mr. Speaker, I trust that my hon. friend and namesake who spoke last (Mr. Alfred Thompson) will not feel at all hurt if I undertake to refer to some of the arguments advanced by him, even although he himself is under the impression that no person of less ability than the hon. member for Red Deer (Mr. Michael Clark) should be considered as a fit opponent, as a foeman worthy of his steel; and apparently he thinks that even the hon. member for Red Deer requires a great deal of education from him before he should place himself in so important a position.

My hon. friend made some very serious complaints against the late Government because they had put certain things on the free list. I think the articles he referred to were binder twine, coal oil and cream separators. He thought the late Government were guilty of a terrible iniquity because they put and left these articles on the free list. The hon. gentleman is now supporting a Government that still leaves these articles on the free list, and has done so for the last two and a half years.

My hon. friend thinks it a terrible thing that any two persons on this side of the House should have different opinions on anything; it is simply horrible. Does he not see that he is digging a pit for his own feet when he says that; as he must see that things which he condemns in unmeasured terms are approved of by the Government which he is supporting?

My hon. friend was very much aggrieved because wicked Grits on this side of the House and an equally wicked majority in the Senate would not allow a tariff commission to be appointed. Surely my hon. friend knows there is nothing in what he says—that it would be impossible for us on this side of the House to prevent the Government from passing and putting into force such legislation if they chose. Surely he knows that the Senate, even that terribly wicked Senate, never attempted to prevent the Government having a tariff commission. All the Senate said was that if the Government appointed a tariff commission they should not consider any application to increase the tariff unless a certain investigation was held and certain information obtained. My hon. friend says that the party with which he is associated is a party which stands for moderate protection. If the party which he supports stands for moderate protection I do not see what better commission they could have than that suggested by the Senate. Our objection to the proposed tariff commission was that it was being appointed to raise the tariff out of sight, as one hon. gentleman said, to raise it higher than Haaman's gallows. The only reasonable objection to the amendment suggested by the Senate was that it would prevent the present Government from carrying out such a policy. No one has ever suggested that there was any objection to the amendment proposed by the Senate except that, unless it be the difficulty as to form, which troubled the Minister of Finance; but of course that could easily have been rectified by some arrangement. My hon. friend says the party he supports stands for moderate protection. That is an exceedingly convenient term.

Mr. GRAHAM: Almost like 'adequate.'

Mr. THOMSON: Almost like adequate, as my hon. friend says; but no one on this earth can give us a definition that will be accepted generally of the meaning of either of these terms. The man who believes in a 5 per cent tariff will say that 5 per cent is moderate protection. The man who believes in a 100 per cent tariff will tell you that that is moderate protection; and even the gentleman who at one time said he was in favour of a Haaman's gallows tariff would probably say the same thing. I am not at all in favour of protection of any kind.

Mr. BURNHAM: What about police protection?

Mr. THOMSON: If my hon. friend from Peterborough wants the police to protect him, I have no objection to their coming in. If he feels the need of police protection I shall raise no objection, I shall make an exception in his case. I should have felt very much disappointed, indeed, if the hon. member for Peterborough had not butted in. I would have felt that he was ignoring me. We are all so accustomed to the inquisitiveness of my hon. friend, that we feel that there is something wrong with our speeches if we are not asked some question by him. 'Moderate protection' is a very convenient term, but it is not at all a satisfactory term, because it means anything or nothing, it means little or much, it means whatever you want it to mean. My hon. friend from North Oxford (Mr. Nesbitt) seems to be satisfied that the farmers of the West would be willing to submit to what he also calls moderate protection, provided the present Government or any government in power will be satisfied to remove their immoderate restrictions. I think my hon. friend from the Yukon would have set the position more clearly before the House if he had said that the party he supported stood for immoderate protection and immoderate restrictions. I do not like protection, moderate or immoderate; but I dislike restrictions, moderate or immoderate, very much more. I am not sure that I would quarrel very much with the proposition of the hon. member for North Oxford, with some little qualifications. I do not know that we in the West would object very seriously to moderate protection if it were coupled with the removal of restrictions to prevent us from readily marketing our wheat, our oats, our barley, our flax and other products in the United States, and other markets of the world, so far as such restrictions can be removed by this House. I do not know that we would object so very seriously for the time being to these things; at least we would perhaps agree to them with a qualification. You know that one thing that the Anglo-Saxon or the Frenchman will hardly tolerate is to be deprived of the right of complaint, or, in ordinary language, of kicking. I am not sure that I would not be prepared to approach the Prime Minister, and, if he would agree to remove the restrictions to which I refer, or to do everything in his power to have all restrictions removed which prevent us from marketing our grain as we would wish to, agree to give a moderate assent to the doctrine of moderate protection. But we would want to have the right to do some moderate kicking in case we were not satisfied with any provisions. We would want, however, like the moderate protectionist, to define what moderate kicking meant, just as the protectionist want to put their own construction on the term moderate protection. We might give a very mild kick, or we might kick to the extent of putting the present Government out of power. That would be a moderate kick under the circumstances. If the Prime Minister is willing to take that matter into his consideration, I have no objection, and we would consider the question later on.

I propose to deal briefly with one particular question before us; in fact, I propose to confine myself almost entirely to the question of free wheat. The present Government show a laudable desire to assist our manufacturers in securing markets for their exports. I think that this is well. It is of great importance to keep our exports up to the mark. Our imports are great and continually increasing, and our exports should also be great and continually increasing. I gather from the remarks of the hon. member for South Perth (Mr. Steele) that he appears to think that the farmers of Ontario are not willing to do their share in building up the exports of this country. I do not think he is fair to the farmers of Ontario. I do not think the letter from which he quoted to show that the Ontario farmers give as little as they can for what they get, fairly states the position of the farmers of Ontario. I am quite sure they are willing to do their share in building up our export trade. The Minister of Finance evidently

believes that exports are of great importance. Quoting from his speech the other day, I see that the exports of manufactured goods for the eleven months ending February last amounted to $51,204,162, and that the exports of agricultural products, including animals and their products, amounted to $241,854,542—nearly five times as much as the export of manufactured goods. The Government is very properly anxious to do what it can to increase the export of manufactured goods. I believe that the export of farm produce could be more easily encouraged. With reasonable encouragement from the Government, I believe that we could double our exports of agricultural products in a very short time, and that would be a splendid thing for this country. What is the Government doing towards increasing our exports of agricultural products? Not very much, I am afraid. Instead of making efforts to increase those exports, they seem to be trying to prevent the removal of artificial restrictions which make it difficult for us to increase our exports. In that respect the present Government are 'doing those things which they ought not to have done and leaving undone those things which they ought to have done.' We all acknowledge the great ability and energy of the Minister of Trade and Commerce. He is ready at all times to use that energy and ability in increasing the exports of manufactured products, but what is he doing towards increasing the exports of agricultural products? I am afraid my hon. friend is like the Pharisees of old, who were very careful to pay tithes of mint, anise and cummin, but very neglectful in attending to the weightier matters of the law. I am not complaining of what my hon. friend has done towards increasing the exports of manufactured products, but I do complain that he has left more important duties undone. The hon. member for the Yukon made a very strange assertion in his speech this afternoon. He said that the arguments advanced by the Minister of Finance against placing wheat on the free list have not been answered by any one. I think the hon. member must have entirely neglected to read or listen to the speech of the hon. member for Brandon (Mr. Aikins). If he had read that speech he would have seen that most of the arguments of the Minister of Finance were knocked into a cocked hat by his follower from Brandon. I wish to dwell for a moment on some of the objections that were raised by the Minister of Finance against placing wheat on the free list. His first objection was that the higher price in the United States would not be permanent. That is a very easy assertion to make, but very difficult to prove. The Minister of Finance is a trained lawyer although he has not practised to any great extent. He surely knows that it is the duty of a lawyer making an assertion to prove his statement, but he did not advance a single argument in proof of what he said. His next objection was that the United States is an exporter of wheat and therefore it would be no use shipping wheat to them. Does the minister really think there is anything in that argument? The records show that even England sometimes exports wheat.

Mr. MICHAEL CLARK: Whenever they have an early harvest.

Mr. THOMSON: Exactly. According to the argument of the Minister of Finance we should not ship wheat to England as at times it exports a considerable quantity. That shows the absurdity of his argument. It is quite true that at times the United States exports a certain quantity of wheat, and at other times it has to import just the same as many other countries. But even when the United States does export wheat, is it the kind of wheat that we sell? That is a point worthy of consideration. Even if it did export the sort of wheat that we sell the objection would amount to very little; and if they do not export the sort of wheat we sell the objection does not begin to amount to anything. I have carefully followed the market reports in the English papers during many sessions, and I have yet to find a report showing the price of American hard wheat. Every time you see the market reports, the price of Manitoba hard is quoted. If the Americans are shipping hard wheat to the English market, why is it not reported?

Mr. W. H. SHARPE: Can the hon. member give the comparative prices on the English market of the wheats that he speaks of?

Mr. THOMSON: There can be no comparative prices when there are no prices quoted. I cannot answer that question, neither can my hon. friend.

Mr. SHARPE: The kind of wheat quoted on the British market?

Mr. THOMSON: I have seen quotations of American wheat, but the spread was tremendously large. I cannot tell my hon. friend now what it was.

Mr. SHARPE: Which is the higher, the Canadian or the American?

Mr. THOMSON: The Canadian. The quotation of Canadian wheat was very much higher every time I saw it. I have looked to-day carefully through the English papers, and I cannot find a single quotation in any of them of American hard wheat, although they all contain quotations of Canadian hard wheat. So much for the second wonderful objection that, it is claimed, has not been answered in this House.

The next objection is the loss of identity, which is an old story. What need is there for any loss of identity? If we sell our grain to the Americans, we do not care about its identity after we have sold it. The Americans can do what they please with it. They can identify it with anything they like; they can abolish its identity or they can establish its identity. Why should not our grain be shipped through in bond? The American millers could mill it themselves and then ship the product in bond. There is nothing whatever in that argument, and the Minister of Finance must have known that when he advanced it.

He tells us that there is no guarantee of permanence of the American tariff. Are we not to ship our grain to any British or foreign country where there is no guarantee of permanence of tariff? Is there any country in the world where there is any such guarantee? I know of none. If the argument of the Minister of Finance is good in regard to the United States, it is equally good in regard to any other country in the world. I do not think there is anything in that argument. We have heard that even in England there is no guarantee of permanence of the tariff. We have more threats from there of putting a duty on wheat than from any other country.

Some further objections have been raised that perhaps deserve a little more consideration than those I have mentioned. One is that we will injure the Canadian railroads—that if our wheat is allowed free entry into the United States, so much of our wheat will go there that serious injury will result to the railroads of Canada. I cannot see why that should follow. At the present time we are exporting to Great Britain and to eastern Canada practically all the grain of the description we are producing that they can take. As a matter of fact, we are sending so much grain to Great Britain that its price there is affected. No one will deny that the grain we raise in Canada is the best grain in the world and that it has a greater actual value than any other grain in the world, but does it command a higher price in the British market? By no means. There are other grains of inferior quality that command a higher price in that market. The reason for that is that we are shipping to the full extent of the amount that Great Britain will take of our particular quality of wheat, and some other countries are not shipping enough of an inferior quality, and therefore the price on that inferior quality is higher. I fail to see how the removal of the restriction, which prevents us at present from shipping our wheat to the United States, will in any way affect the railways of Canada. In the West we are prepared to grow all the grain that eastern Canada and Great Britain will accept and, if the Government give us the opportunity, we will also grow sufficient grain for the American market. We are prepared to go farther. If the present Government have enough enterprise to open up other markets, we will try to supply them too. The Government have no real idea of the resources of the West; they have no idea of the amount of grain we could produce, even if we went into mixed farming in order to increase the amount of our production. It is the duty of the present Government to do their utmost to secure for us not only the American market, but other European markets. Some of these European markets take a certain amount of grain from us at certain times, and there is good reason to hope that in one country in particular a trade agreement might be entered into. The Minister of Trade and Commerce should spend some time in Germany and see what arrangements he can make with the German people whereby we might ship our wheat into Germany under a less duty than we pay at present. This is the day of trade treaties. Different countries are making trade arrangements with one another, and we must do the same if we are to keep the pace. I notice from the Government reports that in the year of 1909 we exported to Germany bread-stuffs to the value of $213,462. Three years later that export had increased to $1,853,724, and in the following year it was $1,509,237. That shows that there is a fluctuation in the demand, as there necessarily will be in such cases; but it shows that the amount which the Germans are prepared to take is increasing, and that there is some hope for a trade arrangement with that country. If such

arrangements were made, wheat sent to Germany or to other European countries would be just as liable to go over Canadian routes as wheat to Great Britain would. Therefore the Government can do a great deal in the development of wheat growing and wheat exporting in the West which would assist the Canadian railways instead of injuring them.

Another reason given in opposition to the abolition of the duty on wheat is that it would injure the milling industry of this country. Is there any foundation for that statement? If there is, it is a very serious matter. The only miller, whom I have heard speak in this House on this question, said positively that it would not injure the milling industry. I think the objection is fully answered by the fact that Canadian millers can compete with the American and other millers in the market of the world; that they shipped to the markets of the world during the year ended March 31, 1913, flour to the value of $19,907,959. If they can pay the freight and compete with the American millers in the markets of the world, surely they can compete with them in the markets of Canada where they have the advantage of freight. It is absurd to suppose anything else.

The only other objection which I have been able to find is in regard to bran, and it is a pretty slim sort of objection. My hon. friend from South Perth (Mr. Steele) was afraid the farmers would not be able to get enough bran to feed their cows; but what are the facts? We are told by gentlemen opposite that bran is so much higher in price in the United States than in Canada, that the United States would absord all the bran we produce and that our farmers would not get any of it. As a matter of fact, the trade returns show us that we are importing some bran from the United States; not a large quantity, it is true, but during the year I have referred to I find bran was imported from the United States to Canada to the value of $16,344, which shows there is not much in the objection. But, what shows that there is nothing at all in the objection is the fact that the Canadian millers exported during that same year bran to the value of $1,603,795. This shows that the Ontario and other farmers do not want the bran we are already producing; the home market will not take it all, and the millers have to look to a foreign market for the sale of their bran. Surely our cow-keepers, whether they live in towns or on the farm, cannot raise any objection to the fact that they will not be supplied with sufficient bran when they do not now take all the bran that is at their disposal.

The question of our obtaining an increased price for our wheat, if we were granted free admission to the American markets, has been sufficiently established, and I do not think it is necessary to go into it any further. Every person who is open to conviction is, I believe, already convinced on that point, and those who are not open to conviction I cannot convince. But there is another phase of the question that might receive a litttle consideration. To my mind, it is not only important that we should get a good price for our farm products, but it is also very important that we should have broad, good, and sufficient markets. That fact is self-evident. I believe that two markets are better than one, and that three markets are better than two. If your first market fails, on account of its being glutted, then you need your second or your third market, and to my mind the whole three should be available. You are no doubt better with four or five markets than with one, or two, or three. The more markets and the bigger markets we have, the safer is our business. A restricted market is always an unsafe and erratic market, and an erratic or unsafe market for our produce is bound to check the expansion of our business. That is a phase of the question that deserves more consideration than it has received. It will be agreed, I think, by every hon. member in this House, that it is necessary that we should have western expansion in order that all Canada should experience progress, development and prosperity. I think it will also be agreed that the reason of the great prosperity of Canada in late years has been caused by western expansion, and, if you check that western expansion, you check the progress and prosperity of the entire country. Western expansion has done great things in late years for the provinces of Ontario and Quebec, and if that expansion continues it will do still greater things for these provinces, as well as for the Maritime provinces. Notwithstanding what is said against the Hudson Bay railway, I have some hope that the Hudson Bay route will be opened up, and that it will bring us into closer contact with our friends in the Maritime provinces, and be of great benefit to them as well as to us.

Let me call attention to a few figures

which show western expansion. In the year 1900, according to the official reports, we had under crop, including land raising cultivated hay, fodder, and roots, as well as grain, 3,597,691 acres. Five years later we had nearly double as much under crop, namely, 6,298,288 acres, an increase of 2,700,597 acres. During the next five years our acreage under crop very much more than doubled. In 1910 we had under crop 14,412,588 acres, an increase of 8,114,300. In 1911 the increase still continued, and we had that year 17,136,414 acres, an increase in that one year alone of 2,723,826 acres. Unfortunately at that time, there was a check in that expansion. I think it was unfortunate, although some hon. members apparently do not think so. In 1911, we had reached a stage where it was quite plain that we were producing as much grain as the markets open to us called for, and it became evident that we would either have to find broader markets or that the expansion should cease. The Right Hon. Sir Wilfrid Laurier, then leader of the Government, saw that this condition existed, and he took the necessary steps to increase our markets, and so he arranged with our friends across the border that we should be allowed to export our grain to the United States free of duty. He made an arrangement whereby we would have a free market for not only our wheat, but our oats, our barley, and other natural products. Unfortunately, our honoured leader was unable to carry out that arrangement, because of a combination between the Conservative party, and the protected manufacturers and the capitalists of the country, including many Liberals. I venture to predict, Sir, that when the future historian writes the history of Canada for that period, there will be no more honoured name than that of Sir Wilfrid Laurier who made the attempt to carry out that arrangement. I venture also to predict that the brightest history in the pages of that period will be the pages which show the tremendous efforts the right hon. gentleman made against tremendous odds, to give the people of Canada, the farmers, the consumers, and the working-people, their rights. I believe that our respected leader was as great in defeat as ever he was in victory.

Let us continue, for a moment, with this record of expansion in the West. In 1912, we had under crop in these three western provinces, Manitoba, Saskatchewan and Alberta, 18,889,260 acres, an increase that year of 1,752,846 acres, or an increase that year of about one million acres less than in the year before, which shows a very serious check.

But the last page in that record is the blackest of all, for in 1913 we had in crop only 18,963,200 acres, an increase of 73,940 acres, or about 3 per cent of the increase during the last year when the late Government was in office. What is the effect of this upon Canada? I think we must agree that the effect of checking western Canada is serious, not only for western Canada, but for every part of the Dominiion.

As I have said, the hon. member for Brandon dealt with free wheat. He told us that he held a brief for the farmers of western Canada. And the newspaper reports say that the hon. gentleman, after he made his argument with regard to free wheat, magnanimously said that he was prepared to bow to the will of the majority. He is not in his place or I would ask him to tell us to what majority he referred. Was it to the majority of the people of Canada or the majority of this House? If the former, how does he know that the majority are opposed to this extension of our market. I am getting a little suspicious, if this report be correct, that he may go back on us after all his fine argument. If he refers to the majority in this House, how is he going to learn what the majority think unless every member votes as he thinks. My hon. friend from Brandon quoted a maxim to my hon. friend from Assiniboia (Mr. Turriff): 'It is not what is said but what is done that is regarded.' If my hon. friend from Brandon and other hon. friends from the West are disposed to go back on us in this question, I would remind them that there is something in that maxim that they should take to heart—it is not what they say but what they do that will be regarded when they go back to the West.

Now, I desire to say a few words with regard to the implements tariff reduction. Generally, while tariff reductions are an important thing to us in the West, yet, in comparison with the removal of restrictions on our trade, they are of little importance. We have often been told in this House, and were told again by my hon. friend from South Perth (Mr. Steele) that between 1878 and 1896 the Conservative Government made tremendous

reductions in the tariff duties. How did they succeed in reducing these duties? Why, first they raised them and then they took them down. If they wished to get credit for reduction on that basis, I wonder that they did not put the duties up to one hundred per cent before knocking them down to twenty. Surely it would look better to say that the duties had been reduced by eighty per cent than to say that they had been reduced by fifteen per cent. But what did the friends of hon. gentlemen opposite do when they were in power during the period referred to? I think I am right in saying that they found the duties on agricultural implements generally at seventeen and one-half per cent and they put them up to thirty-five per cent, and left them there during nearly all the time they were in office. They did make a reduction in some of those duties, but not all. Some they reduced to thirty per cent, some to twenty-five per cent and some to twenty per cent. It is a simple thing to make claims of this kind, but it seems to me that those who make them must be laughing in their sleeve as they do so. When the late Government came into power they found the duties on agricultural implements ranging from twenty to thirty per cent. They reduced these duties generally from twenty to seventeen and one-half per cent and others from thirty per cent to twenty-five or twenty per cent. There may be some particular items of which that is not true, but speaking generally it covers the facts. You must remember also that the late Government made an effort to reduce these duties, some by two and one-half per cent and some by five per cent, but through the operations of the big interests and the efforts of those who support the present Government the changes were not made. If the duties were not reduced it was not through the fault of that Government but through the fault of their opponents.

We hear something of the reductions proposed in this Budget, and comparisons are made with the object of making us believe that these reductions are far more important than those that would have been made under the reciprocity arrangement. The present reductions refer to three items only—harvesters, reapers and mowers. The reciprocity arrangement covered, I think, seventeen or eighteen items, and the reduction on all these excepting four was five per cent, the same as is proposed under this Budget, and a very few other items 2½ per cent. We were told at that time that the reductions under reciprocity were insignificant and were of no use to the people. But now even less reductions are said to be very important. I find that for the year ending March 31, 1911, we imported harvesters, the most important item effected by the present arrangement, to the value of $215,129. But of ploughs we imported six or seven times as much—$1,371,234. But the duty on ploughs is not affected by the reductions proposed under this Budget, while there was to be a reduction of 5 per cent under the reciprocity arrangement. The same is true of threshing separators, of which we imported $2,176,077 worth—more than ten times as much as we imported of binders. In the face of these facts, I do not see how any one can claim that the reductions now made are to be compared with those which would have been made under reciprocity. We were told that the reductions under reciprocity were valueless, that they were so insignificant as not to be worth considering. If that be true, how much more valueless are the present reductions? I do not admit that they are valueless; I think we should be prepared thankfully to receive small mercies from the present Government, because I am sure that that is the only kind of mercies we will ever receive from them. We are thankful for the little things that they have done for us, but we would be more thankful if they would do something worth while. While I say that we are thankful for these things; while I say that we would be glad to have a further reduction of the duty on agricultural implements and other articles, I want to be distinctly understood as saying that nothing of that kind can be accepted for a moment as a substitute for that to which we are entitled—a free market for our produce; an opportunity freely to market, without restrictions, our wheat, our barley, our flax, our oats and other produce wherever the people of any other country are prepared to receive them.

Mr. DONALD SUTHERLAND (South Oxford): Mr. Speaker, I wish to congratulate the Finance Minister on the presentation he has made to the House of the condition of the finances of Canada for the past year. Notwithstanding the settled gloom and evidences of despair apparently existing in the minds of hon. gentlemen opposite; notwithstanding the depression that they claim exists from one end of Canada to the other, the Minister of Finance has been able to report a surplus.

The last speaker (Mr. Levi Thompson), or the one who proceeded him on the other side (Mr. Nesbitt), admitted that there had been surpluses during the last three years aggregating over $93,000,000, and this was the only complaint he had to make with regard to the financial condition of our country. I can imagine what a wail would have gone up from our friends on the other side had there been a deficit—but we are glad to know that there has been a surplus. In view of a legacy the like of which few governments have had handed down to them—a legacy of years of reckless and wanton extravagance—I think we are to be congratulated on the financial condition in which we now find ourselves. As a result of this legacy which has been handed down by hon. gentlemen opposite, we are confronted with a problem such as has, I believe, never confronted the people of this country before; one that will give the Government serious concern, but one which, I have no doubt, they will be able to adjust satisfactorily.

I have been very much impressed with the tone of the debate so far. Almost without an exception the members from western Canada get up in their places in this House and discuss the questions before the people of this country to-day from the standpoint of their province alone, practically ignoring the other portions of Canada. I am sorry that we have not sufficiently advanced in this country to feel that we are a united people with a common object in view; with an ideal before us that we are all striving to realize and work out in the very best interests of the people as a whole. Naturally, we must give and take; we must make sacrifices for the interests of the country at times, but in the end I have no doubt that they will redound to the benefit of the whole country. As I have said, I regret the tone displayed by quite a number of hon. gentlemen opposite in discussing these questions before the House. The same attitude characterized the hon. member for Qu'Appelle, who even went so far as to say that the people of western Canada will grow grain for eastern Canada and for other countries of the world as well. Apparently the whole aim and object of the hon. members from western Canada is to grow grain to feed the people of Europe. They utterly forget that the people of Canada have to be fed; they utterly forget that we have a market here in Canada that is being supplied by the very people with whom hon. gentlemen have been clamouring to enter into closer relationship. The best market in the world is our home market; let us never lose sight of that fact. We have permitted the people of New Zealand to send us butter—yes, we have permitted the people of Ireland to ship potatoes here to feed the people of Canada. In the United States they are growing mutton which is being consumed by the people of Canada; they are raising horses which are being used on Canadian farms. Yet we placidly get up and say: Let us grow wheat; wheat is the aim and object of our existence; if we only had free markets, see what we would do. And then there comes the wail: but we cannot grow wheat at the prices that we are getting at the present time. I was somewhat surprised this afternoon to hear the hon. member for the north riding of the county which I represent (Mr. Nesbitt) say: we in North Oxford grow wheat for the straw; we do not grow it for the grain at all. Wheat is not such a very important commodity after all; it is the straw we grow it for in Oxford. Let me tell the hon. gentleman that in Oxford we grow the finest wheat that is grown anywhere; we grow from 35 to 40 bushels to the acre and we are getting $1.01 a bushel for it at the present time. Hon. gentlemen say: Remove the tariff on our wheat and in Ontario we will get our wheat from Kansas. That is exactly what we will do, but in Ontario we do not want Kansas wheat; we want our own wheat and we want more than that; we want the by-products of our wheat to remain in this country. I want to say to the hon. gentlemen who are so anxious to grow wheat that growing wheat is not the only requirement of a successful agriculturist. Growing wheat is not the basis of agriculture in this country; if you follow the history of agriculture in all European countries you will find that it was when the people departed from grain growing as a specialty and went into mixed farming and stock-raising that they began to realize greater profits. Oh, our western friends say; you must not say anything about that to us; you people in eastern Canada do not know anything about conditions in the West. I think it was the hon. member for Provencher (Mr. Molloy) who, in discussing this matter some time ago upon the motion for free wheat, said: you people down in eastern Canada may go into mixed farming, but we do not propose to be tied up to any business which requires attention from January to January and

9 p.m.

which necessitates your getting up early in the morning and sitting up late at night. We want something easier than that, and we are going to grow wheat. With our friends from the West it is wheat, wheat, every day of the year. I have heard this wail from people who have been in western Canada only a few years. They have gone there and, finding the land ready for the plough, they have mined the fertility that has been stored up there for centuries, without any regard to the result which that course is going to bring about.

Let me tell the hon. gentleman that that system is bound to bring poverty to this country. But, as the member for West Kent (Mr. McCoig) said: If you do not let these western farmers get their wheat into the United States, they will go into mixed farming, and what will happen? They will be raising hogs and cattle; they will be coming down here by thousands and tens of thousands, and they will overrun the province of Ontario with these products. If they come, we will have great game anyway, if we do not have anything else; but I do not anticipate any trouble in that respect. The hon. member for Qu'Appelle complains that he cannot get his wheat into the United States. He can get his wheat into the United States to-day without paying any duty on it whatever. He does not need to worry about that. But let him get busy like other farmers in Canada and pay close attention to his business; let him show that he is a proper farmer and not a miner of the soil, and then he will find that he has not such difficulties to contend with. What do you find? Sir, you find, notwithstanding their weary wail about what we would have had under reciprocity—

Mr. LEVI THOMSON: I would ask my hon. friend if he has ever been out in the West, and if he has seen my farm? Will he undertake to say that he farms better than I do?

Mr. SUTHERLAND: I am not talking about your farm; I am talking about your arguments, and I am telling you you can get your wheat into the United States and get more money for it if you want to without paying any duty. You can feed your wheat and send your stock over there and you do not have to pay any duty on it. They talk about wider markets in the United States, and all that sort of thing. You have to-day, under the present United States tariff, all the advantages that you would have had under reciprocity and you have not any of the disadvantages, yet they ignore all these things. No, it is wheat, wheat, wheat, nothing else but wheat. Let me say that we in Ontario grow considerable wheat, and we do not grow it simply for the straw either. But we find there are other branches of farming that pay much better than growing wheat, and for that reason we do not grow anything like the wheat we used to. But I will admit that the virgin soil of western Canada is rich and fertile.

I was rather struck with the remarks of Professor Robertson before the agricultural committee here last session, or two years ago, pointing out what the Conservation Commission had observed with regard to the farms of whose production they were keeping a record, that in the old settled districts of Manitoba there was an actual decrease from year to year in the production of the farms. This is only what you would naturally expect, and if by any means the price of wheat should drop so low that the people in western Canada cannot make it pay I have not any doubt that the genius of those people, because I know a great many of them, will find a way out of the difficulty. You have in western Canada, I will admit, as fine a class of people as you will find anywhere. You have the youth and the brawn, and many of them from the province of Ontario, and I know their object and aim in many cases their plan to get cheap lands of the West and they hope by growing wheat for a few years, by the increase in value of the land they can realize sufficient profit to dispose of their land at a profit and move out of the country again. That is an unfortunate state of affairs. I believe that after they have been there for a number of years they will change their ideas. Western Canada is not a country for people to desert. There are many things about western Canada which appeal to every one, and I would be the last one that would put a straw in the way of our friends in western Canada that would be considered as detrimental to their interests.

On the mattter of free wheat the member for Qu'Appelle stated that the Americans shipped bran into this country. I have here a clipping from the Toronto Globe of January last which says that the price of bran is $2 to $3 per ton more in the United States than in Canada, and that is correct. In my own county, notwithstanding the wheat straw that we grow up there, we import thousands of tons of bran and shorts every year that are fed there in order to increase our dairy produce. I

suppose ours is one of the largest importing counties in Ontario of these commodities and they tell us we cannot mill in Canada, that the United States mills are the proper places to mill our wheat. I say that what the people of the United States can do Canadians can do if you will only give them time to do it. It would be, I consider, a calamity if we were now to lose our mill feed and all these things that go to build up the agricultural industry of the country. We are handicapped, I will admit, in not being able to grow corn as easily as they do in the United States, with the exception of a few counties in western Ontario. The county represented by the member for West Kent (Mr. McCoig) can grow as fine corn as can be grown anywhere but we have had illustrations of our ability to raise the finest kind of stock. Western Canada has demonstrated it. You have had stock in Chicago in competition with stock from all over the world and have demonstrated that the grains grown in western Canada are sufficient to produce the finest beef that can be grown in the world. I have not the slightest doubt that in a few years all these things will be remedied.

I cannot understand how the hon. the junior member for Halifax (Mr. A. K. Maclean) in his speech claimed that we could not compete with the millers even in Great Britain, in the manufacture of flour. With the splendid water powers that we have here, with the cheap facilities for grinding I cannot understand how it is possible that we cannot do that. But I believe that one of the reasons why that is claimed to be the case is on account of ocean rates which discriminate against us. If the grievances of hon. gentlemen were the ocean rates they would have something more reasonable than what they are complaining about to-day.

I was also a little surprised the day the Budget speech was delivered by the Minister of Finance to find that the Toronto Globe came out on the first page with statements to that effect and the further announcement that he was to be followed by the junior member for Halifax, who was going to move an amendment that wheat and agricultural implements should be put on the free list. I was somewhat surprised when no amendment was forthcoming and still more surprised when that gentleman, instead of going on with his reply to the Minister of Finance, asked leave to adjourn the debate until after the Easter holidays.

However he was granted the privilege of adjourning the debate for that day. I do not know what conferences have been held by hon. gentlemen opposite or what they are going to do. If I did not know them so well, I believe I would almost come to the conclusion that they did not intend to move any amendment at all; but now I suppose, in order to save their faces, they will move some kind of an amendment even if it is only their policy just for the moment. We all remember the negotiations that took place at Washington between two members of the late Government and representatives of the United States Government. Our friends were invited down there, and no doubt were as generously entertained as our neighbours to the south knew how to do. Afterwards, during the campaign of 1911, we quoted statements that had been made by prominent men in the United States during the general election. We were told that those statements were not correct at all. I may say now that I am, and have been, surprised that hon. gentlemen opposite consider that they have not received their dues even after the people have expressed their views on the reciprocity question in the contest—no, I will not say the contest, but in the election of 1911. We have been told that so far as Ontario is concerned the issue was not reciprocity at all, and that passion and prejudice influenced the people there. During my experience covering a number of years, I have never known an election where one single issue was before the people, and everything else wiped to one side to the extent it was in the election of 1911. Reciprocity was the issue, and upon that issue the people of western Ontario, at all events, pronounced. The statements that have been made by prominent men in the United States as to what their object was in that reciprocity agreement have been confirmed to the very letter. By whom? By no less a person than the ex-President of the United States, Mr. Taft. Fortunately for us, we know just what the object of the United States Government was when they invited these two innocents to Washington to put it all over them, as they certainly did. I just wish to quote a paragraph from ex-President Taft's letter to Colonel Roosevelt, which ex-President Taft himself made public on April 25, 1912. I am sure we are all anxious to refresh our memories as to the real object of the then President of the United States. President Taft in this letter said:

The adoption of free trade would rapidly increase the cost of labour in those parts where it is cheaper in Canada, so that the conditions would be the same. It might at first have a tendency to reduce the cost of food products somewhat; it would certainly make the reserve much greater and prevent fluctuations. Meantime the amount of Canadian products we would take would produce a current of business between Western Canada and the United States that would make Canada only an adjunct of the United States. It would transfer all their important business to Chicago and New York, with their bank credits and everything else, and it would increase greatly the demand of Canada for our manufactures. I see this is an argument against reciprocity made in Canada, and I think it is a good one.

Col. Roosevelt, in his reply to Mr. Taft, dated January 12, 1911, said:

Dear President,—It seems to me that what you propose to do with Canada is admirable from every standpoint.

In the heat of the last presidential contest we got at the real object of the United States in desiring this treaty, which was arranged with representatives of the Government of Canada. The Liberal party afterwards endeavoured to force that treaty upon the people of Canada without giving them a chance to say whether they wanted it or not. Thanks to the determination displayed by the right hon. the present Prime Minister, they did not have a chance to do that. They were forced to the country, and the people have pronounced their verdict on the treaty, and now gentlemen opposite are not sportsmen enough to stand up and take their medicine like men.

I want to make a few references to another matter with regard to the United States market. The hon. member for North Oxford (Mr. Nesbitt)—you have noticed, Mr. Speaker, that he poses as an authority on almost everything that comes up—this afternoon made an attack on the Minister of Finance for his lack of foresight in not anticipating cheaper money in a short time. He says: In my own business in the city of Woodstock we loan money—he is a money-lender, you understand—and we anticipated cheaper money. And he criticised the Minister of Finance for negotiating long loans when possibly he might have had better success later on. The hon. member then posed as a manufacturer, and stated that as a brother manufacturer he told the manufacturers in Woodstock that they were making a great mistake in opposing reciprocity. In the same address he also posed as a farmer—a farmer that grows wheat for the straw. I will not weary the House with any more quotations from his speech this afternoon, but I wish to refer to a speech that he delivered on the address in reply to the Speech from the Throne. He said: The farmers—I know them, I am one of them—do not want free trade or anything of that kind. He is reported in 'Hansard' as follows:

They are not afraid of the duties being taken off; they are perfectly willing to have them removed. What they ask for is the open market and cheap transportation. What will happen the cheese industry?

Only last week at Watertown, New York, 3,000 boxes of cheese were offered and sold for 12¼ cents per lb., while right across the line Canadian buyers were paying 13¼ to 13½ cents, and as high as 13¾ cents per lb., which means $1 to $1.25 per box. That is, Canadian cheese brought 1 cent to 1½ cents per lb. more than American cheese. Yet the hon. member asks what would happen to cheese if we had free trade! He also said that we send milk to the big cities in the United States. I admit that, if within easy access to the cities of the United States, you can sell your milk and get a big price for it, but unfortunately every farmer is not so situated. We have millions of dollars invested in the cheese industry in this country, and our cheese has a reputation in the old country that justifies buyers paying from one cent to one and a half cents more for Canadian cheese than for United States cheese. Is not that reputation worth cherishing? I do not think we can afford to lose it, nor do I think, notwithstanding the arguments of the hon. member for Qu'Appelle (Mr. L. Thomson), that we can afford to let our wheat lose its identity. He says, if we get the price why should we care about the reputation? But how long should we get the price if we did not have the reputation? Notwithstanding the hundreds of millions of dollars that we have expended on transportation facilities in this country, hon. gentlemen opposite are prepared to let all that go and to divert traffic to the United States, thereby helping the industries of that country. Then they come to free agricultural implements, and rail at the iniquity of the prices charged the farmers in western Canada. I remember when for the old style of reaper we used to pay as high as from $200 to $225. To-day for a binder, up-to-date in every respect, the cost of the whole outfit is $140. The policy that has developed those industries

in this country was referred to yesterday by the hon. member for Bonaventure (Mr. Marcil), who spoke as follows:

> I want this Government to live up to their so-called National Policy, as it was intended by their great leader Sir John Macdonald. They are not very generous, our friends opposite, they will not believe that we have improved the National Policy to a great extent.

The National Policy that has now been in existence for about 35 years, is the policy that has developed in this country the manufacturing industries that we have here to-day; that has created one of the best markets that we have in the world, and I believe that the Canadian manufacturers of farm implements are not charging the people an exoribant price for their goods.

If hon. gentlemen opposite were consistent with their attitude of last year, they would not be crying for free agricultural implements. When the Naval Bill was before this House, they protested day and night, week after week, against the iniquity of having dreadnoughts built in the old country, notwithstanding the fact that they could be built there for one-third less money than they could be built for in Canada. My hon. friends opposite were great protectionists then. They said that these dreadnoughts must be built in Canada; that the money must be spent in Canada; that nothing else would suit them. To-day they are prepared to let the American manufacturers supply us with agricultural implements. I cannot understand any party committing political suicide as the Liberal party are endeavouring to do. I do not think we should take them seriously; I do not believe they take themselves seriously; I think they are just waiting, Micawber-like, in the hope that something will happen. I believe they would be tickled to death if some great calamity were to overtake the people of Canada, so that they could point to it as a result of the election of the 21st of September, 1911.

My hon. friends opposite seem to be very much afraid of mixed farming. I see the hon. member for West Kent (Mr. McCoig) smiling. I do not believe he was in earnest in anticipating that this province would be overrun with those wild hogs from western Canada. What has happened? During the contest of 1911, I said that undoubtedly there were some things for which we would receive a higher price in the United States than we would receive here; but that taking it on the whole, we stood to lose by the reciprocity treaty. The time had come in the history of this country when protection was of some tangible value to our farmers, and it was not until that time had arrived that there was any disposition on the part of the United States to enter into a reciprocity arrangement. When the old treaty was abrogated by the United States without a moment's warning, after we had developed trade between the two countries, we had to find new channels of trade. While doing that, we had undoubtedly a few years in this country when reciprocity would have been favoured by the Canadian people; but if that treaty had not been abrogated at that time, I am absolutely sure that Canada would have before this become an adjunct of the United States, and we would not have had the manufacturing industries in this country that we have to-day.

Hon. gentlemen opposite will question whether the United States or Canada is the better market. I will give the figures for 1912 and 1913 on a few items of agricultural products that are sold between the two countries under the present tariff. In 1912, we imported from the United States 19,830 horses and we sold them 4,160. We were told what a great market we had in the United States for our horses, whereas they were coming across the border in spite of a heavy duty and filling the market which we ought to have supplied ourselves. In 1913 16,813 American horses were sent to Canada and we sold to the United States 1,770. I remember well, when American sheep were being sold in Toronto and other markets during the reciprocity campaign, the Liberals said: Why, that is a Tory scheme; they are sending the sheep over here to beat the Grits, and are selling them in Ontario at a loss. What happened in the next two years? In 1912, we brought from the United States, 192,530 sheep and we sold them 10,940; in 1913 we bought from them 229,713 sheep and we sold them 5,340. Of course, these figures will not appeal to a man who is bound to grow wheat whether he does it at a profit or at a loss; but they are facts which the farmers of this country realize, notwithstanding the hot air handed out to them from time to time by my hon. friends opposite.

In 1912, we bought from the United States 1,665,893 lb. of mutton and lamb and we sold them 31,993 lb.; in 1913 we bought from them 4,284,300 lb. and we sold them 34,340 lb. In 1912 we bought from the United States 11,223,961 lb. of bacon and ham and we sold them 82,240 lb.; in 1913 we bought from them 13,501,726 lb. and we sold them 154,630 lb.

The hon. member for Huntingdon (Mr. Robb) the other night in dealing with the question of butter, pointed out the splendid market in the United States for our butter and cream. I asked him if he could tell us how much butter had been imported into Canada from the United States, but he could not tell me. He was only giving one side of the ledger. I am giving both sides and you can draw your own conclusions. In 1912 we bought from the United States 929,318 lb. of butter and we sold them 590,480 lb.; in 1913 we bought from them 1,100,431 lb. and we sold them 304,503 lb. In 1912 we bought from New Zealand 2,139,944 lb. of butter and from Great Britain 700,900 lb. of butter.

All this is being sold in Canada; and yet some people are crying out for another market. What the farmer of Canada wants above all to-day is protection, which will shut out the cheap products and the cheap labour of other countries. I was delighted in the Agricultural Committee to-day to see the Minister of Inland Revenue present for consideration a Bill providing for the enforcement of the Pure Food law in Canada, in regard to maple products, and a few weeks ago the Minister of Agriculture sent another Bill to that committee, which would prevent the sale of imitations of our butter and other products. I commend the Government for this legislation promoted in the interest of the farmers of Canada.

It is well to take stock of ourselves occasionally to find out where we stand or where we are drifting to. Canada has a heritage in its vast area of fertile lands such as few people possess, the opening up and development of which requires a wise and careful management to avoid unnecessary waste and to secure the best results. If there is one lesson taught by history it is that the permanent greatness of any nation must ultimately depend more upon the character of its country population than upon anything else. It would be a calamity to Canada to have our farms occupied by a lower type or standard of people than now occupy them. It is impossible not to notice the feeling of unrest that has existed among the farming population of the older provinces for a number of years past. Take for instance the province of Ontario, where I am more familiar with conditions than in any other. The census returns for the past two decades point only too clearly to a condition of affairs that should not exist in a province so richly endowed by nature with all the advantages that should inure to prosperity and content. Having been born and brought up, and having lived most of my life on a Canadian farm, I have watched very closely the attitude of the late Government, and also of the present one, regarding their desire to promote by legislation the interests and welfare of the farmers of Canada. I have noticed the various policies that have been adopted by the right hon. leader of the Opposition, and the party now in opposition. I remember quite well his free trade policy previous to the general election of 1896, and the appeals that were made to the farmers of Canada at that time, which is indicated by the reference to the right hon. gentleman's speech in Winnipeg a short time previous. I also remember the statements that were made by the same right hon. gentleman before a Toronto audience on February 21, 1906, as reported by the Toronto Globe. These are the statements of the Liberal party, who now advocates for the moment a policy of free food for the benefit of the farmers of Canada, which is apparently endorsed by his party.

I remember, when Sir Richard Cartwright represented the riding I now have the honour to represent, how he went from one end of the constituency to the other railing against the protective tariff, but yet a protective tariff remained in existence during the fifteen years the Liberals were in power. I have before me a clipping from a Winnipeg paper which contains a report of the address delivered in that city by the right hon. Sir Wilfrid Laurier, in 1894, when he said:

> When the Liberal party are in power they will at once give a measure of freedom of trade and step by step they will follow it up, and if God spares our lives we shall progress steadily until we have it as full as Great Britain has it. I come before you to-night to preach to you this new gospel of free trade. I denounce to you the policy of protection as bondage, yes bondage, and I refer to it as bondage in the same way as American slavery was bondage. Sir, our policy is freedom of trade such as exists in England, such as is practiced in Great Britan.

That was the Liberal policy in 1894, and apparently, judging from this speech of the right hon. gentleman, he had gone back to his old love. But the Liberals came into power, and strange to say things drifted along practically unchanged as far as the tariff was concerned. In 1904, on October 14, the Liberals of western Ontario gave a banquet to Sir Wilfrid Laurier in Toronto, and at that banquet there was an address delivered by Mr. T. C. Robinette, one of the Liberal candidates, who said:

There can be no full measure of prosperity in Canada unless we have a tariff permanency. I would oppose with all my might as most dangerous and undesirable a reciprocity treaty with the United States, and, however estimable our neighbours may be as individuals, we have had our experience in dealing with their Government that has left in our memories the impression that it would be unsafe, otherwise, in fact suicidal, to make a trade treaty with a Government that might be abrogated in 24 hours by the caprice of a Government swayed and ruled by popular feeling.

I do not believe that truer words were ever uttered than these words of Mr. Robinette.

Mr. PROULX: He must have changed his mind because he approved of reciprocity in 1911.

Mr. LALOR: It is not strange for a man on your side of the House to change his mind.

Mr. SUTHERLAND: Mr. Robinette, after delivering that speech, was followed by the Right Hon. Sir Wilfrid Laurier, who did not denounce the doctrine preached by Mr. Robinette, his candidate; and the only conclusion one could come to from that circumstance was that the right hon. gentleman was heartily in accord with it. Sir Wilfrid Laurier, at that time, was trying to convince the people that the Transcontinental railway from Winnipeg to Moncton would only cost to construct $61,000,000, and that every cent the people of Canada would have to pay on account of the construction of that road, would be somewhere between $13,000,000 and $14,000,000. Two years later, in 1906, Sir Wilfrid Laurier delivered an address in Toronto, and in that manufacturing city, dealing with the tariff, he sang a different song from that which he sang in Winnipeg twelve years before. He said, as reported in the Toronto Globe:

Everybody will agree with me —the business men of Toronto more than anybody—that in a fiscal policy such as we have, where we derive our revenue chiefly from customs duties, it is absolutely essential to the capitalist, to the workingman, to the business man, to the industrialist, that he should know exactly the conditions under which he invests his capital; that he should know that it will be invested under a condition that will not be likely altered.

After referring to the changes that had been made in the tariff by the Conservative party he continued—

But I am proud to say that under our regime the manufacturers always sleep soundly and never fear interference with the tariff. We have made very few changes in the duty.

Here, Sir Wilfrid Laurier was trying by every means to get the votes of the people

[Mr. Sutherland.]

of Toronto, and his remarks seem to confirm the statement then made on every platform in the country that while he was preaching his free trade doctrine there was an understanding between the Liberal party and the manufacturers of Canada, that if the Liberals came into power the tariff would not be interfered with. I wish now to refer to an address delivered by the hon. member for North Oxford (Mr. Nesbitt) in the city of Woodstock on March 4, 1911. That hon. gentleman stated this afternoon that he, as a manufacturer, had told the manufacturers that they were very foolish to oppose the two and one-half per cent reduction in the duty on agricultural implements. That speech of his is reported as follows by the Toronto Globe:

He could not see that the manufacturers would be touched very much, as few articles manufactured in Canada were affected. He was sure the Bain and Woodstock wagon companies would compete in the world's markets even with 2½ per cent reduction in the tariff. He thought the manufacturers opposed reciprocity because of what might follow, the 'thin end of the wedge', but he had been assured by Sir Wilfrid Laurier and Mr. Fielding that nothing of the sort would follow. They had gone as far in the farmers' interests as they would.

That statement was apparently confirmed later on, by the right hon. the leader of the Opposition in this House. 'Hansard' of 1910-11, page 5742, contains this statement by the right hon. gentleman:

The statement made by the hon. member for North Oxford (Mr. Nesbitt) was quite consistent with our policy, it was nothing new, and he had perfect authority, not only he but every member of the Liberal side, to make that statement.

Mr. Foster: Did the Prime Minister and the Minister of Finance authorize the member in question to make that statement?

Sir Wilfrid Laurier: I have answered that already. It is perfectly true. The hon. member for North Oxford and every Liberal member had such authority. He was not kept in ignorance of our policy in this matter, and knew it well. He only stated what is our general policy.

Now, what are we to understand? For myself, I do not believe, in the face of the statements that have been made by hon. gentlemen opposite, that they intend to move an amendment for the reduction of any of these duties. I think they have been just jollying along, talking along this line without any definite idea of what they are going to do. Possibly, later on, they will come to some conclusion as to the course they will pursue. I was a little disappointed that the Liberal authority in our province, the Toronto Globe, fell down in its prediction that the hon. junior mem-

ber for Halifax (Mr. A. K. Maclean) would move an amendment. I wish also to point out with regard to this agitation, which is taken part in by a number of our friends in western Canada, that Ontario, notwithstanding all the hard things you say about it, contributes very generously to the revenue of this country. In 1912-13 Ontario contributed $44,808,000, or about forty per cent of the total revenue of Canada. That is not a small item. And as to agricultural production, notwithstanding the claims made about the enormous value of the wheat crop of western Canada, the farmers of Ontario are doing a good deal along that line. The fact has already been referred to by other speakers, that the field crops, of Ontario almost equal those of the three western provinces put together. Surely, this is a record to be proud of. And with the policy we have in effect in this country to-day, the movement of the people away from the land, has come to an end so far as the province of Ontario is concerned. If you leave the protective tariff which the farmer now enjoys, with very slight alterations, you will find that the movement will be from the city back to the land. For, let me tell you, notwithstanding the splendid country you have in western Canada, the lands of Ontario are cheaper than any in the Dominion of Canada considering their actual value and the comforts and conveniences we enjoy. The movement has already begun, and nothing has been more conducive to that movement than the fact that the prices of farm products have increased.

And now I wish to say a word with respect to this free food fetish of hon. gentlemen opposite and also with respect to the commission that is now investigating what is termed the high cost of living.

Mr. A. K. MACLEAN: Did I understand the hon. gentleman to say that the high cost of living is a fetish?

Mr. SUTHERLAND: I spoke of the free food fetish. Now, I have here a report published by the United States Senate of a committee that was appointed in 1910 to inquire into this matter. That committee came to conclusions, some of which I will quote:

> Increased cost of production of farm products by reason of higher land values and higher wages.
>
> Increased demand for farm products and food.
>
> Shifting of population from food-producing to food-consuming occupations and localities.
>
> Immigration to food-consuming localities.
>
> Reduced fertility of land resulting in lower average production or in increased expenditures for fertilization.
>
> Increased banking facilities in agricultural localities which enable farmers to hold their crops and market to the best advantage. This results in steadying prices, but also tends to advance prices.
>
> Reduced supply convenient to trasportation facilities of such commodities as timber.
>
> Cold storage plants, which result in preventing extreme fluctuations of prices of certain commodities with the seasons, but by enabling the wholesaler to buy and sell at the best possible advantage, tend to advance prices.
>
> Increased cost of distribution.
>
> Industrial combinations.
>
> Organizations of producers or of dealers.
>
> Advertising.
>
> Increased money supply.
>
> Overcapitalization.
>
> Higher standard of living.

I have here the evidence taken by that committee. They had reports from United States consuls in many European countries. These reports show that the increased cost of living is not confined to any one country but is general throughout the world:

> Germany has long since ceased to be an inexpensive country, popular opinion to the contrary notwithstanding. The subjoined tables show conclusively the steady advance of the cost of living all along the line, an advance which is explained not only by the phenomena which accompany the enormous increase in the world's production of gold, but by profound changes which are taking place, which have already taken place, in the social fabric of the German people. Rapidly accumulated fortunes and increasing national wealth have created new standards and new requirements. Shorter hours of labour, higher wages, old-age and accident insurance, abundant tables, better homes—these are among the contributing causes of the higher cost of living, not merely as respects commodities, but as respects total per capital expenditures.

Then, as to Russia, the following is from the report of Mr. John Grout, Consul at Odessa:

> During the past ten years there has been a gradual increase in the cost of almost all articles that enter into living requirements in this consular district and city in particular.

And the consul for the district of Havre, France, Mr. James E. Dunning, reports:

> The cost of living in France has considerably increased in the past ten years and is the subject of constant comment and continual complaint on the part of those whose salaries remain unchanged. Moreover, there is every indication that the augmentation will continue, and that ten years hence we shall be paying still more for the necessaries of life than to-day.
>
> Indeed, the modern Frenchman could very well say: 'Give us the luxuries of life and we will dispense with the necessities.'

We may say the same thing of Canada. That is one of the reasons why the cost of

living has gone up. And if food products are put on the free list in this country, if you are going to allow the countries which produce with cheaper labour than Canada, countries where other conditions may be more favourable, to send their products into Canada free of duty, if you are going to allow the surplus of other protected countries to be unloaded in Canada, you are going to do something that will injure Canadian agriculture. For if there ever was a country under the sun that ought to be termed an agricultural country it is Canada; and it is a shame and disgrace to the country that we have to import from Australia, New Zealand, South America, the United States or any other country the millions and millions of dollars worth of stuff that is being consumed by the people of our own country.

I have spoken at greater length than I intended to, but this is too serious a question to be treated in a frivolous manner. Tariff changes cannot be considered lightly; we must consider what the effect of any proposed change is going to be in the country that we are all so anxious to see prosper and fulfil the destiny which we believe is in store for it.

Mr. ROBERT CRUISE (Dauphin): Mr. Speaker, it is not my intention to take up very much of the time of the House, but I feel that it is my duty to say a few words in this Budget debate. As the representative of a constituency in western Canada I propose to deal more particularly with the matter of free wheat and free agricultural implements and I would first like to reply to some of the arguments which have been advanced by the hon. member for South Oxford (Mr. Sutherland) to-night.

The hon. gentleman claims that the members from the West talk about nothing but free wheat, and he advocates a home market. I would like to ask him where he would find a home market for the surplus wheat that was grown in the Canadian West last year? We raised last year 199,821,586 bushels of wheat and exported 95,311,802 bushels. I do not see any reasonableness in his advising the western farmer to feed his No. 1 Manitoba hard wheat to his chickens, hogs and cattle. When settlement in Manitoba, Saskatchewan and Alberta was first begun, the main industry was the growing of wheat, oats and barley and until Winnipeg attained its present size there was no market for the West except that which was afforded by the incoming settlers. Half the wheat that is raised in the West cannot be consumed in Winnipeg; it cannot be consumed in Ontario, so the people of western Canada will have to export large quantities of wheat as long as they have no home market for it.

I would like to discuss for a moment the benefits to the farmer of the 5 per cent reduction of duties upon binders and mowers. They would save about $7.50 on the two articles. Everybody knows that the farmer buys a mower and a binder only about every ten years; an ordinary binder will last the farmer about that length of time. We admit that he will save $7.50 in that time, but that is a trifle compared with what he would have saved under reciprocity. I would like to show the hon. member for South Oxford and the people of this country what the farmer would gain if he had free wheat. Take the small farmer who sells about 1,000 bushels of wheat in a year. It is only fair to assume that he would gain about 5 cents a bushel on his wheat if he had free access to the American market. Five cents a bushel on 1,000 bushels means $50, which in ten years amounts to a gain of $500 to that farmer on only 1,000 bushels of wheat. That does not take into consideration the benefit he would receive from his oats, barley and flax. If hon. gentlemen want to be fair they will readily see what a benefit the farmers would have by getting free access to the American markets for their wheat.

I would like to refer to an assertion made by the hon. member for North Wellington (Mr. W. A. Clarke) during the course of his remarks, as follows:

> I feel sure that we as representatives of the eastern portion of the Dominion of Canada can go to our people without any sins to answer for, and tell them that the hon. Minister of Finance has made—if they feel that it is a benefit—greater reductions in the duty on farm implements than the reciprocity agreement would have given them had it been put into effect in 1911.

In all fairness to the hon. member for North Wellington, he surely cannot be sincere when he makes an assertion of that kind. I have here a list of fifteen or sixteen of the implements used by the average farmer in the West, with a statement as to the amount he would have saved had reciprocity been put into effect in 1911. Here are a few of them:

	Retail cost.	Duty.	Customs Valuation.	Duty Collected.	Duty under Reciprocity.
Breaking plough	$28 00	20%	$16 00	$3 20	$2 40
Harrow	28 00	20%	17 00	3 40	2 55
Binder (8 foot)	125 00	17½%	110 00	19 25	16 50
Buggy	110 00	35%	60 00	21 00	18 00

So that hon. gentlemen will readily see the advantage the farmers would have received under reciprocity, notwithstanding the fact that the hon. member for North Wellington tries to make the people of this country believe that they will receive greater benefits under the present reduction on binders and mowers than they would have received under the reciprocal trade arrangement proposed in 1911.

10 p.m.

The hon. gentleman argues that if we have free wheat our wheat would all go south of the line. He simply makes the assertion, but submits no proof whatever that this would be the case. Our friends on the other side claim that if we had free wheat our railroads would have nothing to do. The western farmer has made a study of this question, and he does not believe any such thing. The western farmer believes that if he gets free wheat, his wheat will still follow the same channel; where we would get the great benefit would be from competition. Every man who wants to be fair knows that in Canada to-day we have practically no competition in the handling of our grain. Gordon & Ironsides and Pat. Burns have practically controlled the cattle trade of western Canada, and the condition is practically the same with our grain. If reciprocity had gone into effect, we would have opened up the market to the south of us, and the small American buyer and miller would have been allowed to come in and bid on our wheat. The result would have been that the farmers would have got a larger price for their corn, the railways would have reduced freight rates, the men who handle grain would have done so for less money, and the farmer would have been materially benefited.

They say that the Canadian miller can not compete against the American miller; but so far in this debate not a man has offered any proof of that. I for one, as a representative, do not believe in such an argument. I believe the Canadian millers could compete against any millers in the United States or in Great Britain to-day. Perhaps there is one reason why they could not. There are very few men in Canada who make so many trips to Europe or all over this country as our Canadian millers. While they are doing that they are not attending to their own business. Perhaps they would be in a better position to compete if they contributed less money to campaign expenses and put their money and energy into their own business. I am satisfied that the millers can compete with those of the United States or Great Britain if they are made to stand on their own feet. The only way to test that is to give us free wheat, and then we can see whether they can compete against the Americans. When the western Canada farmers come to this Government and ask for anything, they do not come here as a selfish body of men, as they were represented by the last speaker. They meet the organized farmers of Ontario and discuss their questions with these men from all standpoints before they come to this House with any request. When they asked for free wheat and free machinery, they had taken up this question with the farmers of Ontario, and had obtained the advice and consent of these men before coming here; so that when the hon. gentlemen complain that the farmers of western Canada think only of the West, they are greatly mistaken.

Three or four weeks ago there was quite a discussion on the purchase of stone from the American side. The Minister of Public Works was criticised for buying stone on the American side, and justified himself by saying that in this way he saved for the Dominion $28,000. I would ask the minister how he is going to justify that policy with the western farmer? If he was justified in buying this stone on the American side and saving the Dominion $28,000, how can he justify himself to the western farmer when he denies to him the market to the south, from which he would benefit probably $10,000,000 every year? I cannot understand the force of the argument of hon. gentlemen opposite. They tell us that gentlemen on this side of the House

are divided, that some are free traders, some are protectionists, and some are moderate protectionists. Where do the hon. gentlemen opposite stand to-day compared with the position of hon. members on this side? The provincial Government in Manitoba has asked free wheat and free flour. What position are the Conservative members from Manitoba going to be in in the coming elections? Here they are arguing against free wheat but the members in Manitoba are praying for free wheat. The Manitoba Conservative members while in Manitoba are free traders, but while here they are protectionists. Hon. gentlemen from Manitoba sitting on the opposite side, when they were in opposition, were for free trade. I remember reading speeches of hon. gentlemen advocating further reduction on agricultural machinery. We had the members before the House some time ago asking for free trade in agricultural machinery. It would have been more benefit to the farmers than a reduction in tariff would be and hon. gentlemen voted against it, so I fail to see that they were sincere when they were in opposition any more than they are now. Now they talk about protecting the farmer. The trouble with the farmer to-day is that he has too much protection; he is protected from selling his grain in the market to the south or in an open market, and he loses five, six or eight cents a bushel. Then when he comes to buy machinery to cultivate his land with he is forced to pay about fifteen per cent more than he should have to pay. That is the protection the farmer gets. The hon. member for Brantford says that the policy of the Liberal party is, wherever a manufacturer sticks up his head to knock it. If that is the policy of the Liberal party I would like to know what is the policy of the Conservative party in connection with the farmer. Every request the farmer makes he is knocked, he is turned down. He has not been granted one thing that he has asked for, and it appears to me that as soon as the farmers began to do well the present Government refused them a market, and raised the cost of their machinery and thus prevented them from making money. If that is not knocking the farmer I do not know what would be. A great deal has been said about the success of the Liberal party during their fifteen years of administration and whenever you charge the present Government with being responsible for hard times they laugh and sneer. I would like to go back eight or ten years to the time when the flood of immigration into western Canada commenced. Any man with sense will admit that the flood of immigration into western Canada produced the good times and caused our manufacturers to grow. Every man placed on the land must have machinery to work the land and the more machinery purchased by the West the better for the eastern manufacturer.

Hon. gentlemen take great credit for the construction of the Hudson Bay railway and I am sure I am willing to give them all the credit that is coming to them. I trust it will be a great success. It is a very hard road to construct. Most of the work has to be done by station work. What I request of this Government is to take over the Canadian Northern road from The Pas to Dauphin, build it up to a standard road, and operate it as a Government road. If the Government investigate this matter they will come to the conclusion that The Pas is not the proper starting point for a road, and I am satisfied if they look into the question they will take over the Canadian Northern railway, about three hundred miles in length and establish the terminal point in Dauphin. It is much easier for other roads to get to the Government road at Dauphin than at The Pas. I ask the Government to consider this with all earnestness and sincerity and I am satisfied if they do they will adopt that policy.

Mr. F. R. LALOR (Haldimand): Mr. Speaker, I do not intend to occupy the time of the House to any great length, but as a representative of a rural constituency, I feel it my duty to place my views before Parliament upon the questions that are being discussed in Parliament at the present time. I regret that the tariff question cannot be considered on its merits, removed altogether from politics. The tariff to some extent has always been made a political football in Canada and I presume that it always will be. It has formed the platform of both political parties for a great many years, and is likely to continue to be the platform on which we shall go to the people in times to come.

I want to congratulate the Minister of Finance upon the splendid Budget speech he delivered this session. He has, I believe, the confidence of the people of Canada, and has behind him in this House the united support of the Conservative representatives, who are proud of him as one of their leaders and as the Finance Minister of Canada. The people of Canada—Conservatives, Independents, and Independent Liberals—look to him with confidence and

believe that he will administer the high duties of his office with satisfaction to this Parliament and to the people of Canada as a whole. He has announced this year a surplus of $36,000,000 over and above expenditure. That is a record of which he may justly feel proud. It is a larger surplus than any Liberal minister has been able to announce to this House in the past. When the Liberal party came into power in 1896 the net debt of Canada was $258,497,000. When they left office in 1911 they had increased the public debt to $342,042,000. That is, they had increased the national debt during their term of office by $83,545,000. Notwithstanding the legacies left by hon. gentlemen opposite in the shape of unpaid expenditures and contracts which had to be carried out, the present Government under the able management of the Minister of Finance have decreased the public debt of Canada by $6,000,000 in the past two years. That is a record of which the Finance Minister may justly feel proud.

When hon. gentlemen opposite were asking the support of the electors of this country in 1896, they stood upon a tariff platform which at that time they called free trade. Sir Wilfrid Laurier, I think, said the goal of his ambition was 'free trade as they have it in England.' When the right hon. gentleman and his party came to office in 1896 you would naturally suppose that they would have carried their pre-election promises, for I am one of those who believe —and I think others will agree with me— that the election promises of public men are sacred, and that every man who seeks the votes of the electors should carry out the promises he makes to the electorate. Although Sir Wilfrid Laurier and his party had promised free trade as they have it in England, they did not carry out that promise when they assumed office. For the fifteen years they were in office they adopted as their platform the policy of the Conservative party. It was practically the old National Policy. In 1894 the Hon. George E. Foster, who was then Minister of Finance, made great reductions in the tariff. I recall that he reduced the tariff on agricultural implements from 35 per cent to 20 per cent, and there were reductions all along the line both upon manufactured goods and upon the necessaries of life. When the Liberal party assumed office they made very few changes. We are reminded occasionally about the British preference; but, giving them credit for whatever they may have done in the way of tariff reductions, when figured out, all their reductions amount to less than one per cent on the whole; some claim two per cent; but, whether one per cent or two per cent, their tariff reductions on the whole were very little during all the time they held office. Notwithstanding the fact that hon. gentlemen opposite claimed to be free traders and revenue tariff men, they stood upon the platform of the Hon. Mr. Fielding, which, without any question, was a protectionist platform. It is a very fortunate thing that they did not adopt any other platform, for if they had carried out their pre-election promises it would have resulted in ruin and disaster to this country. It is true that just a year or two before they went out of office they reduced the tariff on agricultural implements by two and a half per cent. I was a member of the House at the time, and I remember the applause that greeted Hon. Mr. Fielding when he made the announcement of that reduction. He was applauded by his followers and the Liberal press throughout the country, but when this Government proposed to reduce the duty on agricultural implements by five per cent, hon. gentlemen opposite told us that the farmers were being gold-bricked. If they are being gold-bricked now by a reduction of five per cent they must have been doubly gold-bricked when the reduction was only two and a half per cent. At the time the Liberals reduced the tariff on agricultural implements, they increased the valuation, so that the duty was really higher than before the reduction. At that time the present leader of the Opposition was a great personal friend of Sir Lyman Melvin-Jones. They were very close and intimate, and I think the home of Sir Lyman Melvin-Jones in Toronto was the home of Sir Wilfrid Laurier whenever he visited that city. In order to please his friend, the right hon. gentleman made him a senator. But not only did he do that: While he tried to make it appear that he had given a reduction in the duty on agricultural implements, he had really assisted his friend by increasing the valuation. About the same time, he made Mr. Frost, of Smith's Falls, another agricultural implement manufacturer, a senator. So we see the right hon. gentleman had very close friends in the agricultural implement business at that time.

Mr. A. K. MACLEAN: Do not you go into that business ?

Mr. LALOR: I doubt if a reduction in duties means very much in the way of de-

creased prices to the consumer. I am a firm believer in adequate protection for manufacturers in order to encourage them to locate in Canada, and to build up great manufacturing institutions in this country so that competition will regulate prices. When you lower the duty to such an extent that you close the factories and shut out Canadian competition, you increase prices to consumers in this country. We have instances where a reduction of duty has not done very much good. Some years ago the Government of the day reduced the duty on coal oil, but no one will say that it lowered the price. On the contrary, it put that industry into the hands of the American combine and the people received no benefit. The price of coal oil was raised by that reduction of duty. Take binder twine, another item from which the duty was removed. The farmer is paying more for binder twine to-day than he ever paid before. If protection had been kept on binder twine and Canadian factories encouraged, the competition among those factories would have given the consumer of binder twine the benefit of a lower price than he is paying to-day. The same argument applies to everything in the way of manufactured articles. It is useless, of course, to try to make the free trader believe that this is the case; but the honest opinion of the protectionist is that competition regulates prices and that the public pays less for the goods than if they were manufactured outside the country and imported.

Hon. gentlemen opposite say: If you protect these industries, they will form trusts and combines. In my own county, the Hon. Mackenzie King, addressing the electors, told them about the trusts and combines. What trust or combine was ever incorporated under a Conservative Government? They are all the products of hon. gentlemen opposite, if there are any combines in Canada. Although my hon. friends opposite talk of trusts and combines when they are out of office, they never did anything during their term of office to interfere with them.

Mr. DOUGLAS: Do you think there are any trusts and combines in Canada?

Mr. LALOR: I do not think there are. Hon. gentlemen opposite say there are, but I doubt it.

We have a strange conglomeration of ideas on the tariff among hon. gentlemen opposite. Our good-natured, smiling, and very able friend, the hon. member for Red Deer (Mr. Clark), is, I believe, an honest free trader at heart, but he is a little unfortunate in his record. He was a member of this House for a good many years supporting the late Government. He stood upon the platform of Mr. Fielding's tariff and during all the years I have been in the House with the hon. gentleman, I cannot at this moment recall his ever attacking that platform or saying that the people of this country were being robbed by the protective tariff. He is, however, a free trader in opposition, like a good many other hon. gentlemen opposite. Not only did the hon. gentleman support Mr. Fielding's tariff, but he sat in this House and supported what I suppose might be termed the most iniquitous form of protection that could be inaugurated, namely, bounties.

Mr. MICHAEL CLARK: I am sure my hon. friend does not want to misrepresent me. The same statement was made the other day by a member of this House, and I very modestly pointed out that to the best of my ability I made an attack upon bounties when speaking on one of Mr. Fielding's budgets. That attack is to be found in 'Hansard.' If my hon. friend had been attending to his duties, he would have heard that speech; and before he makes a statement of that kind, he ought to inform himself as to the facts. I made as strong an attack as I knew how, and I must ask my hon. friend to accept my statement, which he ought not to have needed.

Mr. LALOR: I would be very sorry not to accept a statement from my hon. friend, whom I respect very much indeed, but at the same time we must look at the facts as they are. We know that the hon. gentleman was a member of this House supporting the Fielding tariff for many years, and, if he made, as he says he did, a protest against the bounties, it must have been a very feeble one, as it did not have very much effect upon the Government.

Mr. MICHAEL CLARK: My hon. friend must again allow me to correct him. For some reason or other the bounties went out; they disappeared.

Mr. LALOR: I am glad to know the hon. gentleman takes so much credit to himself, because I never knew him to vote against the late Government during all the time

they were in office and all the time he was a member of this House.

Mr. CLARK—I was not going to vote against their removing the bounties against which I protested.

Mr. LALOR: The bounties naturally ran out. The arrangements were made for certain lengths of time, and the bounties expired according to those arrangements.

Mr. CLARK: Disappear is the same as expire.

Mr. LALOR: The Liberal Government paid out $16,000,000 in bounties to the manufacturers. I have another case where the hon. member for Red Deer was an avowed protectionist. There is no question that he is a good Britisher; that he loves the old flag and the old land; but he was opposed to granting $35,000,000 for three dreadnoughts to be owned by Canada and to be put into the British service. He voted against that proposition; but he was in favour of a Canadian navy, which has been designated a tin-pot navy, and which would cost perhaps $300,000,000 or $400,000,000. He showed his free trade principles then by taking the stand that those ships should be built in Canada, even though they cost 25 to 35 per cent more than if built in the motherland. In that case the hon. member was not a very good free trader, although now I give him the credit of being almost in absolute control of the Liberal party, because he is gradually educating and bringing over his hon. friends one by one to his way of thinking. Perhaps it is because they are in Opposition. The hon. gentleman has a deskmate, a good friend of mine and a very able man, who comes from the neighbouring constituency of Welland (Mr. German). It would be pretty hard for the hon. member for Welland to follow the free trade principles of other hon. gentlemen opposite. He would not follow reciprocity; he left his party upon that occasion, manfully and courageously, and he did a great service to Canada by so doing. He helped in the election throughout the country, because every one knew that he was a strong Liberal but that he could not stand for reciprocity. If there is any town in Canada that has grown and prospered, it is the town of Welland. Only a few years ago it had a population of about 2,000, and to-day its population is 10,000. Why has that town grown so rapidly? It is because the Government of Canada said to the manufacturers of the United States: If you want to supply the people of Canada with manufactured goods, you must come here and manufacture them in this country. You must employ Canadian capital and Canadian labour in this country, and thus build up our towns and cities. The result was that they came over to Canada and built up the manufacturing town of Welland. The time is not very far distant when the old Welland canal from Port Colborne to St. Catherines will be one great hive of industries, established by American manufacturers who have come to Canada to manufacture goods in this country in order to avoid the duty. Surely that is a better policy to pursue than one that would permit them to manufacture in the United States, employing American people in their factories, and shipping their goods to Canada. If I mistake not, that is the policy of hon. gentlemen opposite, that is where the parties divide, and I am glad to see that division. I shall be glad if the electors of this country have a chance to decide between the free trade policy of hon. gentlemen opposite, and the policy of moderate protection which the Conservatives have advocated and stood for from the days of Sir John Macdonald down to the present. I shall have no fear as to the result. We know what happened the Liberal party in 1878. From 1874 to 1878 they tried to carry on the affairs of this country under what they called a revenue tariff, and the electors waited for their opportunity, which came in 1878, to declare very decidedly that the Liberals should govern the country no longer. We know that from 1874 to 1878 there was general depression throughout the country, that men were out of employment, that factories were closed, and that the working people were receiving low wages. And we know also, that when Sir John Macdonald came into power in 1878 and adopted the National Policy, general prosperity followed. I remember that, at that time, Sir Richard Cartwright told the artisans of this country that they must work harder and eat less, and when you compare the Liberal policy of free trade with the Conservative policy of fair protection, that is just what it amounts to at the present day.

In 1896, when Sir Wilfrid Laurier was preaching free trade, and promising free trade to the people of this country, he also had friends among the manufacturers. Mr. Bertram was a candidate of his in Toronto,

and just on the eve of the election Mr. Bertram thought he was going to be defeated, and he wired to Sir Wilfrid Laurier, who replied that the manufacturers were not going to be hurt. The right hon. gentleman was carrying on then, as he and his party are carrying on now, a policy of trying to deceive the farmers of this country by making them believe they will do something for them, which they have not the slightest intention of doing. The ex-Minister of Railways (Mr. Graham) spoke in Hamilton last Thursday, and he did not preach then free trade or lower tariff before the manufacturers, but, according to the Hamilton Times, says of his address:

Referring to the tariff Hon. Geo. P. Graham contrasted the Liberal policy of a stable tariff under which Canada had known fifteen years of its most abundant prosperity, with the tariff tinkering of the Tories.

In his speech the hon. gentleman (Mr. Graham) practically gives the assurance to the manufacturers that they will not be disturbed, but at the same time he says there must be free trade in food-stuffs. Not very long ago a delegation of the manufacturers of Ontario who support the Liberal party came here to see some of the leaders of that party, after their famous resolution about free agricultural implements. I do not, of course, know what occurred at the meeting; but I should judge from what these gentlemen say on the train when I meet them that they are quite sure that nothing will be done by the Liberals to hurt them. It would seem as if the platform of hon. gentlemen opposite is a platform to get in on, but a platform which they do not intend to carry out should they unfortunately be returned to power.

Although some people seem to think that I am an extreme protectionist, I am not so by any means. I believe in fair and moderate protection.

Mr. LOGGIE: What is fair and moderate.

Mr. LALOR: I think the present tariff is a pretty fair and a pretty moderate tariff. The hon. gentleman (Mr. Loggie) himself stood upon that tariff and supported it for fifteen years, during which time he never spoke a word against it.

Mr. DOUGLAS: It is pretty high on woollens.

Mr. LOGGIE: The duty on woollens does not compare with the duty on canned vegetables.

[Mr. Lalor.]

Mr. LALOR: And they say there is a pretty high duty on lobsters. I do not believe in extreme protection, but I believe in a moderate protection, and I believe we have a moderate protection now in Canada.

Mr. SINCLAIR: Does the hon. member believe in adequate protection?

Mr. LALOR: Yes, I thoroughly believe in adequate protection?

Mr. SINCLAIR: Then, will he explain why the Government does not give us adequate protection?

Mr. LALOR: I should think the Government is giving us pretty adequate protection.

Mr. SINCLAIR: Will the hon. member explain why he and his friends voted for a resolution asking for adequate protection when we had practically the same tariff as we have to-day?

Mr. LALOR: I think perhaps there may have been some changes made, but if the protection was adequate at that time the resolution fitted into the conditions beautifully; it was only a confirmation of the platform the hon. gentleman for so long supported.

Mr. STEVENS: And the Liberal party opposed our amendment, so that they thought the tariff was inadequate.

Mr. LALOR: A fine spectacle these gentlemen opposite present to the people of Canada to-day. They would lead people to believe that there is no difference of opinion among them, and they are complaining about the platform which they stood for and supported during all the years they were in power. For fifteen years not one of them gave a chirp; they were perfectly satisfied and contented with the Fielding tariff, which they contended was the most beautifully thought-out tariff that ever was put in force. But now, when the Conservatives are in power, these gentlemen think the Fielding tariff is no good, that everything is wrong about it. It makes all the difference in the world where these gentlemen are sitting. In their opinion, they are Heaven-born politicians and statesmen, who were never designed to sit in opposition. When they are in power, they say the country is prosperous and that everything is fine, but the moment they lose patronage and are out of office they think the country is going to the dogs. Just imagine these gentlemen going before

the electors of Canada and talking free trade; these gentlemen who talked free trade before 1896, but who never practised it when they got to power. I do not wish to speak too strongly on the question, but I should think when an appeal is made to the people the Liberals will be the laughing-stock of the country. What faith can the people of Canada have in their assertion when they know how, when in office, they failed to carry out their promises they made before they attained power.

One of the policies these gentlemen opposite are now advocating is free food. They felt that they were not getting the vote of the people in the cities and towns; they saw that the workingmen who wanted good wages and continued employment were putting their confidence in the Conservative party, and now, in an attempt to get their votes, they are talking free food for the workingman and telling him about the high cost of living. What is high in the cost of living to-day in Canada? Sugar is cheaper than ever, tea is as cheap, coffee is as cheap, wearing apparel, I believe is as cheap, and, as a matter of fact, there is nothing of any importance that is dearer to-day, except the products of the farm. Is there any other class of people in this country who deserve protection and good prices better than the farmers? When the farmers are prosperous everybody is prosperous. They are the backbone of the country; they are the people who produce the wealth of the country; and I am only sorry that the farmers are not getting bigger prices for everything they raise. These gentlemen of the Opposition think that by taking the stand on free food they are going to catch the votes of the people of the cities and towns.

Mr. BRADBURY: And fool the farmers.

Mr. LALOR: And fool the farmers at the same time. I think they are greatly mistaken. The right hon. leader of the Opposition announced free food in Hamilton. Then, we did not hear of it for some time and it looked as if the rural members who support him had rather called him off. But we have heard it again in this House, and the hon. member for South Renfrew (Mr. Graham) announced it again in Hamilton the other night. Could there be anything more detrimental to the success of the farmers than free food? Imagine the importation of farm products into this country if duties were removed. The American market has been held out to us as one that offers us great advantages—a country that exports over a billion dollars' worth of farm products every year. Last year we imported into Canada 37,000,000 pounds of meat, over 13,000,000 dozens of eggs and 8,000,000 pounds of butter, of which 6,000,000 pounds come from New Zealand alone. What would happen the farm products of Canada if the duties were removed? Every importation of farm products into Canada to-day meets the tariff at our border. If this were not so it would mean that the Canadian market would be slaughtered and that the Canadian farmer would sell butter, eggs and other products at half the price he does to-day. Denmark exports 200,000,000 pounds of butter a year. They could lay that butter down in Canada at a freight rate of less than 1 cent per lb. If there were no duty that product would come into Canada and the Canadian farmer would be undersold in every town and city in the Dominion. I think the free food policy will be unfortunate for hon. gentlemen opposite, and I shall welcome the contest when it comes upon that issue. I can imagine my opponent in the county of Haldimand standing before a farming audience and telling the farmers they are getting too much for their products now, and that there should be a policy of free food in order that these things may be cheapened. Reciprocity was killed in this country, buried beyond all recall—and hon. gentlemen opposite are still preaching funeral sermons over it. They forget that the farmers are the ones who killed and buried it. But under reciprocity there were at least reciprocal advantages; there was something we were to get back. We got entry into the United States market. But the President of the United States has given us that market for nothing. We defeated reciprocity, and we got the American market for nothing while retaining our own market for the Canadian farmers. But there are no advantages at all under the free food policy—it simply means taking down a wall of protection and allowing the United States and every other country to ship their farm products into Canada.

Let me tell you what my position is upon farm products coming into Canada. I believe the duties are not high enough. We are bringing into Canada the produce of other countries in too large quantities. But we say: Give the Canadian farmers the Canadian market. And the only way you can do that is by giving them proper protection. I will vote to support in this House any measure that may be introduced

to give increased protection to the farmers of this country. What class of people in Canada are more deserving than the farmers? They deserve all they get and a great deal more. There is no class of people who work harder for their money than do the farmers of this country. When the city man is still in bed and sleeping, the farmer is out working, and when the city man is enjoying his evening at home, the farmer is often out working until late at night. There is no class of people who work harder than they do. Our farmers are prosperous we are told, and they are; they are getting along all right. But they make their money slowly, and they need everything that any government, whether Liberal or Conservative, can give them.

Now, we have been doing something for the farmers. I remember the night of my election, when we defeated reciprocity, there was great rejoicing in the county of Haldimand, and I suppose that rejoicing extended throughout the whole of Canada. The farmers gathered for two nights in my town and we had a continuous celebration. I told the farmers at that time what I hoped the Government would do for them. I said: Now that we have a Conservative Government in power, the farmers who have been neglected for so many years by the late Government will receive something from the Conservative Government that has never been given them by the Liberals. I told them I hoped that one of the first things would be to assist them in building good roads. And we tried to give that to them.

Mr. A. K. MACLEAN : You did not try very hard.

Mr. LALOR : In Haldimand the county council have spent about $100,000 in the last three years on good roads, and if hon. gentlemen opposite and their friends had allowed that Bill to become law, every farmer there would have one-third of the money in his pocket because of the help the Government would have given him in the building of their roads. It is most important that the farmer should have good roads.

Mr. A. K. MACLEAN : Why did the hon. gentleman's friends defeat the Bill?

Mr. LALOR : That is rather amusing. I think my hon. friend is joking.

[Mr. Lalor.]

Mr. MACLEAN: No, I am not joking, I am in earnest. Why did your friends destroy the Bill?

Mr. LALOR : The hon. gentleman imagines that his friends are in power. That Bill was introduced in this House, a fair Bill. But hon. gentlemen opposite opposed it and the Grit majority in the Senate killed it, and no one knows it better than the hon. member opposite. I think I can see far enough ahead to see my opponent trying to explain to the farmers why they did it. We have done a little more than that for the farmers. We voted $10,000,000 spread over a number of years for agricultural education in this country, which I think, will be a good thing for the farmers. Another thing I told the farmers in Haldimand, was that now that we had a good Government in power we would give them rural mail delivery.

Mr. A. K. MACLEAN: They had that before.

Mr. LALOR: We were going to give the farmers pleasant and happy circumstances at home. We were going to deliver their letters and their daily papers to them so that they could read them ever night before they went to bed, and I am pleased to know that the Government have carried out that intention. Hon. gentlemen opposite have said: Oh, we inaugurated rural mail delivery. The hon. member for Rouville is a pretty good fellow; I must say that when he was Postmaster General he was very obliging and very kind, but we must speak of rural mail as the hon. gentleman inaugurated it. It was a fine system; hon. gentlemen opposite certainly ought to be proud of it. The mail carrier was permitted to deliver mail to the farmers along the old stage routes and every other farmer in the county had to walk from five to ten miles to the post office to get his mail. The system was unpopular because it was unfair and the first thing this Government did when it came into power was to remedy that condition so that every farmer in the province of Ontario at least has his mail delivered at his door. That is one of the greatest things that has been done for the farmers of this country. The hon. member for East Lambton (Mr. Armstrong), who advocated this boon for the farmers when in opposition, deserves a great deal of credit for the study and attention he gave to that subject. We are doing something for the farmers, and I hope the Government will

continue to do a good deal more for them; they deserve whatever they get.

I am not going to say very much about the question of free wheat, because I do not know so much about the conditions in the West; but I do think that the milling industry, which is a great industry in this country, should be encouraged. I should like to see the wheat of the farmers of Canada manufactured in Canada in Canadian mills. This would help the farmers because they could use the offal for the feeding of their stock and get it perhaps at a lower price than they pay for it to-day. Hon. gentlemen opposite talk a great deal about free wheat, but gentlemen from the West, not members of this House, who have conversed with me in the matter, have expressed the opinion that free wheat would not be as great boon for the West as our friends would make it appear to be. I was talking to a gentleman a few days ago who raised twelve thousand bushels of wheat last year. So far as he was concerned, he did not know that free wheat would be a great benefit to him. He did tell me, however, of one thing that would be an advantage to him—and I quite agree with him on that point—the securing of lower freight rates from the West. Transportation is the important question in the West to-day, but hon. gentlemen opposite by their transportation policy and by the building of the Grand Trunk Pacific railway have done away with the possibility of cheaper transportation in this country for many years to come. If members from the West, having in mind the building of the Transcontinental railway, voted as they should vote, they would vote against the Liberal party on any question. I shall not speak of the commission appointed to investigate the construction of the railway, whose report proved beyond all manner of doubt that over $40,000,000 was absolutely wasted through gross mismanagement in the construction of the road. Further, I submit that the construction of that part of the road between Lévis and Moncton was a sheer waste of money. In that part of the country it parallels the Intercolonial, a government owned road, and through the building of this line $75,000,000 have been thrown away. Aside, however, from this waste of money, the thing was a bad bargain for Canada; hon. gentlemen entered upon a policy of building a road that will cost so much money that transportation can never be cheapened in this country—and that is the most unfortunate feature of the whole matter.

Mr. A. K. MACLEAN: If we ground twice as many barrels of flour as we do to-day, where would we sell it?

Mr. LALOR: In the British market, I presume.

Mr. MACLEAN: How?

Mr. LALOR: The same as we would sell what we are selling now.

Mr. MACLEAN: The British miller wants to buy wheat.

Mr. LALOR: Wheat and flour both. We would not expect to manufacture all the flour, but we could manufacture a considerable portion of it. I claim that the Grand Trunk Pacific railway was a bad bargain for this country; it has killed cheap transportation for all time to come. The farmers of the West will for generations contribute five cents a bushel towards the bad bargain and the mismanagement of hon. gentlemen opposite in connection with the Transcontinental railway; that is one of the greatest taxes the farmer of the West has to pay.

I have already said that I do not believe there is anything too good for the farmers either of western or of eastern Canada. I would be prepared to support the building of Canadian freight steamers to carry our wheat and our farm products to the British market. This would seem to be the only way of remedying the transportation bungle that was made by hon. gentlemen opposite and the only way of cheapening ocean transportation. I hope the Government will inaugurate a system of cheap ocean transportation in the interests of the farmers as a whole, and particularly in the interests of the farmers of the West.

An hon. gentleman speaking from the other side of the House the other day—I think it was the hon. member for South Cape Breton (Mr. Carroll)—read from a paper, a copy of which I have before me, figures by which he endeavoured to show that flour was selling at Halifax at $6.50 a barrel and in London at $4.18 a barrel. If the hon. gentleman had read from another portion of the very paper from which he was reading he would have seen that his figures are wrong, and that there is not such a large difference in the prices. While I am not a miller, I know something about what it costs to make a barrel of flour. It takes two and one-third bushels of wheat to make 100 pounds of flour. On a basis of 90 cents a bushel at Fort William, it would cost $2.10 a hundredweight for flour, 10 cents for the bag, and 20

cents for manufacturing, a total of $2.40. Deducting 36 cents for offal and adding 20 cents for freight, we have a total of $2.24, so that a barrel containing 200 pounds of flour would cost, delivered at Montreal, $4.48. The figures given by the hon. gentleman were, therefore, wrong, but he was doing only what hon. gentlemen on the other side are so fond of doing—knocking some industry. All that an industry has to do is pop up its head and the hon. gentleman will knock it as hard as he possibly can. When he was making that assertion he was knocking the milling industry.

I am interested in an industry which has received some attention on the part of hon. gentlemen opposite. I refer to the canning industry, of which I think all Canadians have just reason to feel proud. The Dominion canners have, I think, about 60 canning factories in Canada and the independent canning factories have about 50. I want to say this about the Canadian canning industry: Whether the goods are produced by the Dominion or by the independent canners, Canadian canned goods are a credit to Canada. The aim of the industry has been continually to improve the quality of the goods; they have done that, and to-day the canned goods of Canada compare favourably with the canned goods of any other country in the world. Ten years ago, when the Dominion Canners was organized, the canning business in Canada was in a bad condition. The factories were not in good shape and the machinery was not adequate or up-to-date, but to-day the canning factories in Canada, whether they belong to the company of which I happen to be a member or whether they belong to the independent canners, are a credit to the country. You can travel through the United States from end to end but you will not find canning factories that compare with those in Canada to-day. The goods that are done up are pure, free from adulteration and, more than that, they are the cheapest food that any labouring man can put on his table. The canning business is knocked by hon. gentlemen opposite because they do not know what they are talking about. In my county my opponent for two general elections followed me around with canned goods and canned goods labels and every time he spoke he made votes for me because the people knew that my statements about the canning business were absolutely correct. I repeat that they are the cheapest goods a labouring man or anybody can put upon his table, and the purest and most wholesome. You can to-day buy a three-pound tin of tomatoes for ten cents. You would wonder how the tin could be made for the money. I have seen advertisements for twelve tins for a dollar but that is too cheap, ten cents is the regular price for these goods. The manufacturer puts them up, puts a beautiful label on the tin, boxes two dozen to a case, and pays freight to the wholesale merchant. The wholesaler, in turn, sells them to the retailer and the retailer sells at a profit to the consumer, and yet they are bought by the consumer three cans for a quarter; but hon. gentlemen opposite are still pitching in to the canning business and calling it a combine and a merger.

11 p.m.

Mr. DOUGLAS: What about the prices last year?

Mr. LALOR: I am speaking of this year. Last year they were high. There was a failure of the crop in Canada and we even had to import them to supply the demand and pay the duty and we sold them at a loss to fill our orders in Canada because we only packed 40 per cent of our requirements. Hon. gentlemen opposite, if they were fair, would know that that is the case, but they continue constantly to attack that industry. These attacks are most unwarranted and unfair. The canning business is not managed altogether by Conservaties. On the board of directors of which I am a member, we have Liberals as well as Conservatives and they must feel very sorry indeed to hear attacks made on a business that is carried on honestly in the interest of the public. We pay millions of dollars to the farmers and employ thousands of men and women in the factories and still that business is attacked session after session although there are no facts to warrant the attacks made upon it. If it is an industry hon. gentlemen attack that industry. They are so disappointed over the defeat of reciprocity that they attack everybody for it and especially the manufacturers; if they would only look a little farther they might rope in the farmers and blame them a little. It looks now as if they wanted to get even with the farmer by giving free food so that the farmer would suffer along with the manufacturer. We know that there is a business depression in Canada. Everybody knows that. All you have to do is to be interested in any business, to hold stock in any concern in Canada and you will know that there is a depression. Canada is not the only country with a business de-

pression. I am interested in manufacturing in the United States as well as in Canada and depression exists over there to a greater extent than here. I know the conditions because I am interested on both sides of the line. The depression is great here, but it is greater there. The New York Central road has laid off 25,000 men lately. On the short road from Buffalo to Niagara Falls and Lockport they have actually in the past month taken thirty trains off that short run. That applies to the whole country. The depression that exists there exists here, and I claim that it is not wise, it is not a proper policy, for members of Parliament in a Canadian House of Commons to decry and knock their country. I claim more than that, that the men who are in this House from western Canada, from Alberta and Saskatchewan, have done their provinces more harm in this House this session than all the good they can ever do. Who would ever think of taking up a farm in the West and settling there after reading one of the speeches of hon. gentlemen opposite. They are doing everything they can to stop immigration into that country. They are doing everything they can in this House to stop prosperity and immigration in the very provinces from which they come; and I say to hon. gentlemen opposite that if they would take some of the wealth that they have made out of western lands, which they and their friends got cheaply probably from the Government that was in power, and invest that capital, which they have taken out of the settlers of that country, in the establishing of manufacturing institutions in their province and their own towns, they would do a great deal more for their conutry than they are now doing. I say, in conclusion, that we should not knock our own country; we should try and boost it. I say, do not knock, but boost, and if we will all do that we may bring about the prosperity that should prevail in this great Dominion always; and if we can grow in the future as we have done in the past everybody, including the merchant, the manufacturer, the artisan and the farmer will be prosperous and successful.

Mr. J. M. DOUGLAS (Strathcona): Mr. Speaker, it is always a delight to listen to the beautiful unpartisan method in which the hon. member for Haldimand (Mr. Lalor) presents his case when he speaks before this House. He is enjoyable to that extent, but I really think that he believes a great many of his own statements. He referred to what he called the unfulfilled pledges of Sir Wilfrid Laurier prior to 1896, when Sir Wilfrid Laurier was appealing for the suffrages of the people of Canada on what he called then a policy of free trade as it is in England. I might remind the hon. member, although it is a tu quoque argument, that his own leader, prior to 1911, went to the provinces of western Canada promising them that if he were returned to power he would give to them the control of their natural resources. As yet we have heard nothing of that, although this Government has been in power something over two years. This was one of the main planks of the platform of the Conservative party in western Canada. It was used by every speaker in behalf of their campaign. The present Prime Minister also promised to give assistance to a chilled meat industry if he were returned to power. He has been in power since 1911, and we have heard nothing further about that part of his promise.

We have been treated by the hon. member for Haldimand to a statement as to the wonderful prosperity that attended Canada under the National Policy in force from 1878 until 1896, when the late Government came into power. If he had studied statistics he would have discovered that for a number of years prior to 1896 the trade of this country was practically at a standstill, and that it did not increase in any respect until the revision of the tariff in 1897. If he had lived in western Canada, as I have, he would know that that statement applies more forcibly to the West than to the East. He also made the statement that food and clothing were cheaper than they have been for quite a number of years. I am afraid the hon. member has not kept in close touch with the clothing trade in recent years, or he would not have made that statement. Clothing is dearer to-day than it has ever been in the history of Canada. He also mentioned the undesirability of the imports of butter which has been coming into Canada in recent years. To my mind, that is not a very undesirable state of affairs. If a country, essentially agricultural, is importing butter, it must be that the people of Canada, who are agricultural people primarily, do not find butter-making a profitable line of business. If the hon. member's remedy of a high tariff wall against the importation of butter

were carried out, where would the consumer be? That is one of the great troubles of this Government. They appear to absolutely forget the consumer in every piece of legislation which they bring forward. The great bulk of our population is made up of consumers. This Government takes little thought for his protection. We are told of the tremendous disasters which will befall the manufacturer if the protection is taken off his industry, but the consumer can starve to death for all gentlemen opposite care. The consumer apparently does not enter into their consideration at all. We were told by a gentleman who ought to have known better that he would support in this House a tariff on butter, and that such a tariff would be a benefit to this country.

I regret that in the Budget speech of the Minister of Finance the same lack of consideration for the consumer presented itself. There was nothing in his speech from beginning to end to give the consumer any hope of redress.

Mr. BURNHAM: How would you benefit the consumer?

Mr. DOUGLAS: Certainly not by the imposition of a tax.

Mr. BURNHAM: Go ahead and tell us.

Mr. DOUGLAS: Cannot the hon. member figure it out?

Mr. BURNHAM: I can, but what about you?

Mr. DOUGLAS: Before the hon. member for Haldimand goes out, I want to say a word about the canning industry. He made the statement that there were sixty factories in the Dominion Canners' Association and fifty independent factories. He also said that the Dominion Canners' Association was not a combine. I will leave the members of the House to judge whether it is or not. He also gives great credit to the Dominion Canners' Association for the very low price of canned vegetables this year. I admit that vegetables, and tomatoes especially, are cheaper this year than they have been for five or perhaps six or seven years. He might also have said that last year in place of canned tomatoes selling at three tins for twenty-five cents they were selling at twenty cents a tin, or two for thirty-five cents. I do not think he would consider tomatoes at that price the cheapest food the workingman can put on his table. As regards the question of a combine, he very conveniently omitted the contract he had with the wholesaler as to how he should handle the products of the Dominion Canneries. That was the most beautiful contract I ever had the pleasure of looking at. By it, the wholesaler pledged himself to handle nothing but the goods of the Dominion Canners' Association. At the end of the selling season he was allowed a rebate of ten cents a dozen on his vegetables, and 12½ cents a dozen on his fruits. If he bought outside of the sixty factories of the Dominion Canners' Association he was liable to lose his whole commission. That strikes me as a combine, and I will leave the members of the House to judge whether it is or not.

Mr. LALOR: Might I ask the hon. gentleman if he thinks that was too much profit to give to the wholesaler?

Mr. DOUGLAS: I do not think it was too much profit for the wholesaler. The profit in the canning industry is not made by the wholesaler or by the retailer, but by the manufacturer. The poor farmer gets very little for his tomatoes, about twenty-five to twenty-seven cents a bushel. That does not strike me as being a very high price.

Mr. LALOR: I think the hon. member wants to be fair. Let me tell him that ten years ago we paid twenty cents a bushel for tomatoes, and now we are paying thirty cents. Nearly everything we buy is nearly fifty per cent dearer than ten years ago.

Mr. DOUGLAS: I am out three cents. The point I wish to make is that the price the farmer gets for his raw product has absolutely no influence on the price at which the manufacturer sells to the wholesaler. The hon. member made the statement that the crop last year was a short one, and for that reason tomatoes were worth $1.35 to $1.50 a dozen. On account of a short crop the manufacturers could not fill all their contracts, he said. That is quite true, but although he was unable to fill his contracts, the manufacturer took every possible advantage he could in the way of enhanced prices.

I shall not take up very much more time of the House, but I wish to discuss the effect of the Underwood tariff in connection with the entry of free wheat into the United States. All sorts of opinions have been advanced by different members. The hon. member for South Oxford (Mr. Suther-

land) scoffed at the idea that the western farmer should desire a market for his wheat other than along lines east and west. He seemed to think that we could force grain to be hauled a tremendous distance through barren country, and yet be profitable to the farmer growing the grain. The next moment we heard another hon. gentleman say that the great problem in western Canada was not markets, but transportation. How on earth the transportation problem is going to be solved by forcing producers in western Canada to send their grain two or three thousand miles to the eastern seaboard, is beyond my comprehension.

In the investigation into the rates recently held before the Railway Commission, it was found that wheat was being hauled from the prairies of western Canada to the head of the lakes at a lower price than to any other part of the continent of America. Therefore we cannot hope for redress from the Railway Commission as long as conditions of that kind prevail. If we had the market to the south of us, we would have, in the first place, the advantage of competition, which to my mind is the most important one. We would also have the advantage of the short hauls as between the country points and the market at either Winnipeg or Minneapolis, because I have faith enough in the people of Canada, even in the millers of Canada, that when they see that they are really up against such a proposition, they will not allow their American neighbours to monopolize the whole trade of western Canada. That argument was used during the reciprocity campaign regarding our cattle and hogs. After the Underwood tariff came into effect in October of last year, it was an absolute boon to the province of Alberta from which I come, inasmuch as we had begun to produce more hogs than we could consume, the first year in our existence when we were able to do so. I have not the figures here to substantiate that statement, but I have an article copied from a Calgary paper, dated March 8, in which the statement is made that in sixty days we shipped from the city of Calgary hogs to the value of $470,000. That is from one city alone in the province of Alberta and these hogs were sold to the city of Seattle, a market of which we never dreamed. By the removal of that duty, which was done by the good grace of our neighbours to the south of us, the farmers benefited to the extent that those hogs brought at Seattle from $7.75 to $8.25 per cwt. and the farmers of Alberta were able to market that tremendous number of hogs within that very short time. I have a paper here from the city of Calgary dated April 18, which says that in one day over $60,000 worth of hogs were shipped out of that city for the Seattle market. Calgary has become to-day one of the greatest shipping points in Canada for live animals, and is rivalling Toronto and Winnipeg in that respect.

We are also going into mixed farming, following the advice of the hon. Minister of Trade and Commerce, and last year we produced more poultry than we were able to consume. For the first time in the history of Alberta our poultry and eggs were more than sufficient to meet the requirements of that province. If we do not get free access to the American market for our wheat products, we will go more extensively into mixed farming. We have no home market in Alberta, and where can we sell this produce? We can grow all the hogs required for the Dominion of Canada, but where are we to sell them? We cannot afford to pay the freight from Calgary to Toronto. We have packing industries, and can pack a certain number of hogs; but, unless we get unrestricted markets not only for our wheat but for all our other products, what is to be the result? Ask the eastern manufacturer what is the result of the defeat of reciprocity. If he is honest, he will tell you that it is more stagnant in eastern Canada than it has been for twenty years. When I was in Montreal the other day I had a conversation with a number of wholesale men there, one of whom said to me, 'We have not had such poor business for twenty years as we have to-day.' He did not know that I was in politics. I said, 'Can it by any possibility be true that this stagnation has resulted from the change of Government?' He said, 'I never thought of it that way, but that seems to be the case; the only place where we can sell goods is in the city of Ottawa.' I said, 'How do you account for that?' He said, 'Because Parliament is in session, and so many delegates come to Ottawa who buy goods. That is the only reason I can give for it.' The hon. member who preceded me (Mr. Lalor) is a manufacturer, and a good one. He has one of the best knitting mills not only in Canada but, of its line, in the world; and for the goods he produces I believe he is capable of producing them against any manufacturer not only in Canada and the United States, but in Germany; yet ask that hon. gentleman how business is just now, and he will tell

you that his travellers are not making expenses, that his resident salesmen on the Pacific coast are just marking time. Nevertheless he is one of the gentlemen who did his best to bring about this state of affairs.

Mr. BURNHAM: Would you advise foreign competition as a remedy?

Mr. DOUGLAS: I do not just see the connection.

Mr. BURNHAM: Neither do I.

Mr. DOUGLAS: An allusion was made by the hon. member for Haldimand to an article which appeared in the Montreal Standard in regard to the price of flour at Canadian points and English points. I was one of the gentlemen who received a copy of that paper, and I presume every member received one. I noticed a mistake in the statement, but I thought it was a typographical error. I took the pains to write to the editor of the Standard to find out if his correspondent was correctly informed or not. I received a letter signed by the man who made the statement, and, addressing himself to the editor of the Standard, he says:

> Your letter of the 8th instant has been handed to me, with copy of letter addressed to you from Mr. Douglas, M.P., in which that gentleman states the alleged discrimination against Canadian consumer has been very much exaggerated. I beg to state that the undernoted figures prove that I underestimated same. Such figures disclose that the difference amounts to $1.70, which proved the figures which I quoted to be a fair average.

I do not know who this gentleman is?

Mr. ROGERS: What is his name?

Mr. DOUGLAS: His name is W. Lutton. Taking as his authority the North West Miller he figures out the price at Montreal at $5.70 a barrel, the price in Liverpool at $3.99 per barrel, and the price in London at $3.99 per barrel, for September, October and November of last year. We have heard a great deal during this debate as to the relative benefits of protection and free trade. Hon. gentlemen opposite have evidently taken it for granted that because the Liberal party have advocated the abolition of duties on a number of articles that they are absolute free traders. For my own part, personally, I am always inclined to let them have that opinion, but I do not think they are doing justice to the Liberal party when they make such statements. I do not think the lowering or the abolition of a duty on any specific article means that the party which advocates such a policy is absolutely going in for free trade. If that were true, then the Conservative party is just as much a free trade party as is the Liberal party, because I notice that in the recent revision of the tariff they have taken the duty off a good many articles, although the unfortunate part of it is that the articles on which the duty has been removed are all used by manufacturers, and not by the consuming classes.

It has been claimed by hon. gentlemen opposite during this debate, that the binder twine industry in Canada was ruined by the Liberal party removing the twine duty in 1897. I have some figures here to show that that statement is absolutely incorrect. The hon. member for the Yukon (Mr. Thompson) quoted from a speech made last year by the hon. member for Wentworth (Mr. G. C. Wilson), the statement that fourteen out of fifteen Canadian twine factories had gone out of business when the duty on binder twine was removed. A gentleman who is thoroughly acquainted with the binder twine industry in this country, informs me that in the days of high tariff on this commodity more factories were closed by the twine trust in Canada than since the Liberal Government reduced and finally put twine on the free list. He points out that the factories closed by the trust when there was a duty on binder twine were: Brown, of Quebec; Bannerman, of Lachute; the Port Hope mills, the Dovercourt mills in Toronto, the St. John mill in New Brunswick, and one of the Brantford mills. These mills, as I say, were all closed under the high protective tariff on binder twine. In fact, the industry had got to such a state that the Ontario Government started manufacturing twine in the Central Prison, and the Dominion Government followed suit by manufacturing twine in the Kingston Penitentiary, in an endeavour to break the combine of the Canadian Cordage Company. There was one binder twine factory in Brantford which did not go under, and the owners of this factory continued to prosper under the high protective tariff, and they paid dividends amounting to 60 per cent in one year, 90 per cent in another year, and 110 per cent the next year. The result was that a number of people, induced by the enormous profits made by this factory, resolved to go into the business. You will always find that where an industry appears to be making undue profits, a great many people will rush into it, and so it happened with regard to the manufacture of binder twine

in this instance. A binder twine factory was established in Brandon, and others were established in different parts of the Dominion. However, they were not managed properly, and they all went to the wall, not because of free twine by any means, but because of bad management. Industries of any description, which are not managed on good business principles, are bound to fail, and the statement that these factories went under because the duty on binder twine was removed, is therefore not borne out by the facts.

Mr. ALFRED THOMPSON: What is the reply of the hon. gentleman to the claim now made by the grain growers of the West, that the binder twine industry is in the hands of an American trust, and that the price of twine is higher now than it was before the duty was removed?

Mr. DOUGLAS: I think that probably the statement is absolutely true, that the binder twine industry is in the hands of an American trust to-day, but that is because they coralled the whole raw product. How any tariff can remedy that state of affairs is beyond my comprehension. If it were a manufactured article that was controlled by a trust, I could understand how the removal of the duty would affect it, but when, as in this case, it is a raw product that is controlled, I fail to see how any tariff is going to remedy the evil.

Mr. ALFRED THOMPSON: What is your remedy?

Mr. DOUGLAS: There is no remedy so far as I can see.

Mr. PARDEE: What is your remedy?

Mr. DOUGLAS: There is no duty on binder twine and what more can be done. It might be possible to get at the combine in some other way, but I do not see how tariff-tinkering is going to assist it. If we had a tariff on binder twine I believe the conditions would be just that much worse to the extent of the tariff.

Now, Mr. Speaker, referring to the Budget speech delivered by the Minister of Finance, I have to say that I regret very much that the hon. gentleman has placed a duty on steel rods. To my mind that is going to be a very serious thing, because I very much fear that the result of the duty on steel rods is going to be to increase to the consumer the price of nails, and all products of steel rods. I was speaking a few days ago to the manager of the nail factory in the city of Calgary, and I asked him: 'What is going to be the effect of this duty on steel rods on your industry'; and he said, 'it is going to put us out of business.' I replied that I feared that it would. He then told me: 'We heard a mention of that very thing last year, and I took it upon myself to write to the Minister of Finance, to the Prime Minister, and to the member for Calgary, protesting to the utmost of my power against any such duty; the answer I got from all these gentlemen was that they would not consider it for a moment; that they felt that the effect would be to put the small nail makers out of business, and that they would not do that.' He told me that the hon. member for Calgary was most emphatic in his statement that under no circumstances would he permit of a duty being imposed on steel rods, as he knew the effect it would have on the industry in Calgary. For that reason I am very sorry that the Minister of Finance was overborne by the arguments advanced by the steel manufacturers, but I hope he has it in his power to protect these small manufacturers in some way should the occasion arise. With the high transportation rates which we have to pay on heavy hardware, such as nails and other commodities which are made out of steel rods, it would be a serious handicap to the people of the country who use nails every day, if the price were now increased. I do not know, Sir, that I can add anything further to the debate. The question has been discussed in all its phases, and I have only to regret now that the Minister of Finance in presenting his Budget this year has absolutely ignored the wants of the great masses of the people, the consumers, the farmers, the artisans, and that he has pandered to the wants of the manufacturers. Then, as to the question of putting the East and the West against each other, and as to the charge made by some hon. gentlemen from Ontario that the farmer of the West is merely a wheat miner, I have to say that these statments are not warranted by the facts. I hope they will grant the wishes of the organized farmers for relief from the restrictions placed upon them to-day in their market.

On motion of Mr. Pardee, the debate was adjourned.

On motion of Mr. Rogers, the House adjourned at 11.47 p.m.

Thursday, April 23, 1914.

The House met at Three o'clock, the Speaker in the Chair.

PETITION REJECTED.

Mr. SPEAKER: With reference to the petition of the Guelph Trades and Labour Council praying the Government to take over the road of the Canadian Northern Railway Company as a public work for the people of Canada and for other purposes, I have to say that as the prayer of the petition, if granted, would involve an expenditure of public money, it cannot be received.

QUESTIONS.

(Questions to be answered orally are indicated by an asterisk.)

MR. LEANDRE PARADIS.

Mr. DEMERS:

1. Has M. Léandre Paradis, of St. Johns, Quebec, been appointed to a position under the Government of Canada?
2. If so, to what position and whom did he succeed?
3. What was his predecessor's salary?
4. What is his present salary?
5. Has the said Léandre Paradis any contract with the Department of Militia and Defence?
6. If so, can a civil servant be a Government contractor at the same time?

Mr. CODERRE:

1. Yes.
2. Superintendent of the fumigation station at St. Johns, Quebec, and an inspector for carrying out the Destructive Insect and Pest Act. He succeeded Mr. P. H. Dupuis.
3. At the rate of $75 per month for such time as he was employed at the fumigation station, which is kept open for about four months in each year.
4. At the rate of $75 per month for such time as he may be employed at the fumigation station, which is kept opeen for about four months in each year.
5. A contract for the supply of forage at St. Johns, P.Q., was made with Mr. L. Paradis, of St. Johns, Quebec. This contract expires on the 31st of August, 1914.
6. No information.

INDIAN MEDICAL ATTENDANTS.

Mr. A. K. MACLEAN:

1. Who are the Government medical attendants of Indians for Kings county, N.S.?
2. What amount is paid annually to each of such attendants?
3. What number of professional visits were made by each of such attendants, for the last fiscal or calendar year of which there is available such detailed information?
4. Who were the predecessors of such medical attendants, and what amount did they annually receive for such services?

Mr. ROCHE:

1. Doctor George McNally, of Berwick, is medical attendant for the western half of Kings county and Dr. W. B. Moore, of Kentville, is attendant for the eastern half of the county.
2. Doctors McNally and Moore are each paid a salary of $200 per annum.
3. Doctor Moore, during the last fiscal year, attended 127 Indians. Returns are not yet to hand from Dr. McNally as to the number of Indians he attended.
4. Previous to the appointment of the above mentioned doctors, Dr. H. M. Jacques was medical attendant for the whole county at a salary of $50 per annum. He did not attempt to do all the work, and in the year 1910-11 accounts amounting to $496.80, were paid. The total cost of attendance for that year was $546.80.

PLANTAGENET RURAL MAIL DELIVERY.

Mr. PROULX:

1. How many tenders were received by the Post Office Department for the conveyance of the mails on the proposed free rural delivery route No. 1, Plantagenet, county of Prescott?
2. What are the names of the tenderers and the amount of their respective tenders?
3. Is it the intention of the Post Office Department to establish said route in the near future?

Mr. PELLETIER:

The tenders will not be opened until the 8th proximo. The service will be established as soon as the necessary contract arrangements have been made.

LIEUT.-COLONEL CHARLES F. WINTER.

Mr. CARROLL:

1. What position does Lieut.-Colonel Charles F. Winter occupy in the Militia Department, and what are his duties?
2. Has he within the past year been given instructions to do any work outside his ordinary duties? If so, what?

Mr. SAM. HUGHES:

1. Military secretary.
2. No.

ALDERSHOT, N.S., CAMP.

Mr. MACDONALD:

1. What are the names of the tenderers for supplies furnished the various militia camps at Aldershot, Kings county, N.S., during the year 1913?
2. What were the several prices quoted?
3. From whom were supplies purchased and what was the price paid in each case?

Mr. SAM. HUGHES: Papers in reply to a motion are being sent in.

HOMESTEAD ENTRY.

Mr. KNOWLES:

1. When was the entry of Harvey Rea McVeigh for the S.W. ¼ of 3-23-12, W. 3rd M., cancelled?
2. When were instructions first isued by the Department of the Interior for a homestead inspector's report with regard to the improvements made on the S. W. ¼ of 3-23-12, W. 3rd M., in connection with the application of Harvey Rea McVeigh for a refund of the moneys collected for the improvements made by him on the above land?
3. What sum of money was so collected by the department for said improvements?
4. On what date was such money paid to the department?
5. Has the homestead inspector's report referred to in question No. 2, yet been received? If so, when?
6. Has any money been paid to the said Harvey Rea McVeigh on account of such refund? If so, how much?
7. Has such payment been on account or in full?

Mr. ROCHE:

1. 10th December, 1912.
2. 19th May, 1913.
3. $165 has been collected from the present entrant.
4. 5th April, 1913.
5. No. The land is situated north of the South Saskatchewan river, and the homestead inspector recently explained that on account of weather and the state of the roads it has been practically impossible to do any work in that country for some time, but that he would make his report as soon after the first of this month as weather and roads would permit.
6. Yes, $50. It was represented that he was in urgent need of money.
7. On account.

THE BUDGET:

Consideration of the motion of Hon. W. T. White (Minister of Finance) for the House to go into Committee of Ways and Means, resumed from Wednesday, April 22.

Right Hon. Sir WILFRID LAURIER (East Quebec): Mr. Speaker, if the Budget, to which it was our privilege to listen some few days ago, had been confined to an exposition of the financial affairs of the country, it would have been my pleasure to have joined in the many encomiums pronounced upon that part of the hon. gentleman's deliverance and to have declared, and declared with perfect sincerity, that it was worthy of all commendation. Barring a few thrusts which my hon. friend attempted at his opponents, and which his opponents at the present time can very well pass by, the exposé of the book-keeping and the business of the Dominion which he presented, the liabilities, the assets and the resulting obligations, was clear, concise and to the point, and if my hon. friend permitted me, I would offer him my heartiest congratulations.

But as to the other part in which my hon. friend discussed the economic situation of the country, I must say that—and I shall appeal to the judgment of those who sit behind him—my hon. friend was, as to his facts and conclusions, singularly in error, and failed altogether to rise to a true conception of his duties and of his responsibilities.

My hon. friend stated, as he has done on more than one occasion in the House and out of it, that the economic situation of the country was satisfactory; that we had passed through a period of depression, but of slight depression only as compared with 1907, and that already we were sailing into calmer waters. He stated emphatically that there was no occasion for alarm; that we could well afford to wait in peace for the reaction, and that as regards the amount of reform he would make, it would be simply to tighten the screws upon a few items of the tariff and to make some semblance of reduction upon farm implements, a reduction so insignificant that it in fact adds insult to injury.

My hon. friend, with great complacency, relies upon the enormous resources of Canada. They are enormous indeed, especially in agricultural possibilities; but my hon. friend, at all events, ought to know—and he is in a position to know more than anyone else in this House—that though the resources of Canada are enormous, and though we have yet hardly touched the fringe of them, at this moment in the eastern provinces agricultural production is not keeping pace with the requirements of the country. As to the western provinces, he knows also that agricultural development is rapidly coming to a standstill. He cannot ignore these facts; but still he turns his back upon the situation. We could not expect anything else, for he is one of those who three years ago so clamorously shouted: 'No change; no improvement; let well enough alone.' The man who has not the energy to improve never will have the courage to reform

My hon. friend stated, however, that agriculture was the basic industry of all industries. If it is true, as I shall be able to prove later on, that at this moment agriculture is not returning what we have a right to expect from it, is not that proof that there is something ajar in the situation of the country which requires the attention of the Government; and if the Government fail to apply themselves to the task of remedying the situation, then it is also proof that they are not worthy of the confidence that the people have reposed in them?

I am well aware that nothing that I can say can convince my hon. friend, but I will place him face to face with a statement which came not long ago from his own side of the House. My hon. friend from Dundas (Mr. Broder), whom I regret not to see in his seat to-day, has a well deserved reputation in this House for being a shrewd and keen observer of what is going on in the country. Lately he addressed himself to this situation, and, within the hearing of my hon. friend, made the statement that agricultural production is in many respects not equal to the demand now pressing upon it. His words were:

> The right hon. gentleman must realize that Canada is not producing the quantity of dairy produce that we might expect from it, an agricultural country. How can we justify this? Just last winter a gentleman sat down to his breakfast in the city of Ottawa and he had for his breakfast eggs from Russia, potatoes from Ireland, bacon from Denmark and butter from New Zealand.

Then the hon. member added pathetically:

> That should not happen in this country.

On that list there was not one article of Canadian produce; it all came from abroad. No wonder that the hon. member for Dundas added pathetically, almost despairingly, that that should not happen in this country; but it has happened in this country; and it is happening at this moment. 'Tis true; 'tis a pity; and a pity 'tis, 'tis true. The hon. member for Dundas, who is a practical man, was not satisfied with pointing to the evil; he also suggested the remedy and immediately added these significant words:

> That should not happen in this country. There is only one remedy and that is to get the people on the land.

These words were spoken within the hearing of my hon. friend the Minister of Finance, but what is there in his Budget to get the people on the land? There is not a trace of a thought in any word of his speech towards that object. This is the situation. My hon. friend the member for Dundas dilated upon what he had stated, and he made the statement and gave the proof also that in the last ten years the number of dairy animals had decreased in the provinces of Ontario, Quebec, New Brunswick, Nova Scotia, and Prince Edward Island. Every one knows that the milch cow is the wealth of the farmer. We may have increased our wealth otherwise, but in that respect we have been losing wealth to a large extent in Ontario. According to the figures given by the hon. member for Dundas, there was in the last decade, a decrease in milch cows of 33,784 in Ontario; 14,691 in Quebec; 2,552 in New Brunswick; 9,515 in Prince Edward Island, and 2,484 in Nova Scotia, a total of 63,026. Therefore at this moment, that particular form of wealth is decreasing and not increasing. The hon. member for Dundas might have gone farther and added that not only in dairy produce but in almost every other form of production the eastern provinces have not been keeping pace with the wants and requirements of the population. He might have modified his language and stated that the remedy for the situation is not only to get the people on the land, but that in the eastern provinces, Ontario, Quebec, New Brunswick, Nova Scotia, and Prince Edward Island, the effort and the duty of the Government should be to get the people back on the land. It is a fact that at this moment the land is deserted, and that we have not now in the eastern provinces the same number of tillers of the soil that we had ten years ago. This is the problem which was facing my hon. friend. I do not charge the Government with the responsibility; I do not say it is the fault of the Government that this is the state of affairs to-day, but I charge them with the responsibility for their failure to deal with the situation which is staring them in the face. They cannot plead that they are not responsible; what are they in office for? What are the pledges they have given to the people? Their pledges were pledges of reform, so as to make the people more prosperous, but instead of being more prosperous the people are less prosperous than they were. I charge the Government with failure of duty at least in not attempting to relieve the situation.

It is a fact of which everybody is aware that in every civilized portion of the world there is a tendency for the rural population to desert

the land and to flock into the cities. In this respect Canada is not peculiar but suffers in common with every other land. There are general cases which affect the rural population everywhere, but also there are special causes almost everywhere which are peculair to the country, and which can be remedied by legislation. As to the general causes, I say frankly, that probably they also may be remedied; but as to the particular causes it is certainly possible to remedy these if we apply ourselves to the work. Sir, in Great Britain to-day population is leaving the land and flocking to the cities. The causes there are largely to be found in the vicious land laws, the remnant of the old feudal system, which they are trying to remedy. These efforts that are being made in that country to remedy, if possible, these old vicious laws and win back the people to the land, is a spectacle to arouse our admiration. But in this country we have no feudal tenure, thank the Lord! We are free from that evil, but still we are not keeping our population on the land. And if we are to seek a remedy for this lamentable condition of affairs, that remedy, as I shall presently show, is to be sought in the direction of an expansion of trade.

Such is the situation in the eastern provinces, and as to the western provinces we must always remember the primary factor that in those provinces there are 150,000,000 acres of land ready for the tiller. Of these lands only 18,000,000 acres are to-day under culture, leaving 132,000,000 acres of as fertile land as there is in any part of the globe, and yet, as my hon. friend knows, we are making no headway towards increasing the settlement of that country. My hon. friend in his speech the other day rejoiced that our immigration is keeping up its volume. Here are his words:

> It is gratifying to know not only that the stream of new settlers continues to flow into the Dominion, but that there is also apparent from year to year a marked improvement in the class arriving due to restrictive regulations.

I take issue with my hon. friend upon this statement. True, the volume of immigration is not decreasing, it is keeping up as before; but the hon. gentleman is in error when he speaks of 'new settlers.' They are not new settlers for the land that are coming in at the present time, but rather mechanics and artisans. At the present moment, as he knows, the number of people who settle on the land, and the acreage of land which goes under cultivation are decreasing year by year. In 1910-11, the homestead entries, pre-emptions, purchased homesteads and South African veteran homesteads were 63,830; in 1911-12, they were 52,553; in 1912-13, 43,552; and for the year just ended the number was only 38,856. So, they are not new settlers who are coming in, but rather a different class of immigrants. The immigrants we desire in this country are farmers, farm labourers and domestic servants and instead of these we are getting artisans and mechanics who find no work and simply drift into the cities to swell the ranks of the growing army of the unemployed.

We are beyond all an agricultural country. But, if agriculture is at a standstill, there is a blemish upon the country to which nobody can close his eyes, and that is the situation at the present time. For this situation there must be a cause. If in the older provinces, the people leave the land and flock to the cities, if in the new provinces the tillers of the soil no longer go upon the soil, then there must be some cause for it. Of course, as this question has been more than once debated in this House, various opinions have been expressed upon it. There may be occasion for honest differences of opinion; but there are men who are in a position to give us information upon the subject and whose opinion is more valuable than the opinion of any others, and they are the farmers of this country. The farmers who have been heard more than once, before the Government have stated what are the causes which have produced this result, and they have pointed out the remedy. So far as I have been able to inform myself by reading their memorial, those causes are two: first, the high cost of production and the next the insufficiency of markets. As to the high cost of production, more than once, and with unanimous voice, the farmers have declared what they wanted and have suggested the remedy which would afford them relief. They asked to have agricultural implements free from taxation. We have heard this question debated in this House more than once and have heard many opinions expressed upon it. When the farmer asks that the tools of his occupation should be free from taxation, that they should not be made heavier in his hands than they naturally are, nobody can say that is an unfair demand. Everybody, whether he sits on this side of the House or on that would agree with me that this is a perfectly natural demand, and one

which ought to be granted unless there is a paramount reason to the contrary.

It has been asserted on the floor of this House during this debate that the hardships which the settlers of the prairies suffer do not compare with the hardships which our forefathers in this part of Canada had to undergo when hewing out for themselves and their families homes out of the forest. I am disposed to agree with that: I believe that the hardships of the men of the prairies to-day, are not to be compared with those of our forefathers in this part of Canada. But, Sir, because we can do nothing for the dead, is that reason why we should refuse help for the living? I believe it to be true that the settlers of the West do not suffer as great hardships as did those of a generation past in this section of the country; but, Sir, if it is in our power to remove from the tiller of the soil to-day a part of the burden which he has to carry, why should we not apply ourselves to it? The hardships of to-day are not as great as were those of the past; but, Sir, there are hardships to-day also. There are members in this House who have in their desks letters from settlers of the western prairies enclosing notice sent from the agent of the implement maker telling the settler that unless his account is paid it will be collected by the sheriff. Such letters I have seen myself. It is a cruel hardship when a man is subject to such treatment; and if it be in my power to diminish and minimize this evil in any way, I will take the risk of attempting it whatever be the consequence to myself. But, when the farmers came to the Government and asked that their implements be relieved from taxation, the answer was that it could not be done. And what was the reason? The reason given was that free implements means free trade. And, my hon. friend the Minister of Finance is responsible for that sentiment. It is a sentence to which he gave utterance evidently with some satisfaction, because he repeated it on more than one occasion in the course of his Budget speech, as well as in his speech on the Address. The Minister of Finance says that not only free implements, but that free food also, means free trade. I ask my hon. friend what does he mean by saying that free implements would mean free trade? I say to him in all frankness, as friend to friend, that his expression is neither fact nor metaphor, it is loose and illogical. Free implements in 1914 mean free trade no more than did free lumber in 1893 or 1894, granted under a Conservative Government. I tell my hon. friend the catch phrase 'free implements means free trade' is an appeal to the prejudice which we know exists in certain parts of this country against the very idea of freedom of trade. Even in this House the very mention of free trade is met by derisive laughter and jeers from hon. gentlemen on the other side. After all, Mr. Speaker, whatever may be the opinion on this side or the other side as to the benefits of free trade, it cannot be denied that there is only one country in the world to-day which has free trade, and that is the country which of all others, has shown itself above any other in commerce, in finance, and in the art and science of government In the fields of human speculation and human thought there are other nations which maintain supremacy over England. Germany is certainly ahead of England and of all other nations in philosophic research. I think that for precision and grace in literature, France can claim unmatched excellence. But in commerce, in finance, and in the art and science of government, the nation does not exist, and never has existed, which can compare with Great Britain—the mother of freedom of thought and of civil and commercial liberty. It seems to me, in view of the fact that that great nation has emerged from her protective policy of years, to a conception of the value of free trade, that the least hon. members can do is to reflect that perhaps there is something in free trade which has never been dreamed of in their philosophy.

The application of economic principles is not to be determined simply from theoretical conceptions. We on this side of the House; we, the Liberals of Canada, while we have upheld the cause of free trade—

Some hon. MEMBERS: Oh, oh.

Sir WILFRID LAURIER: We have always contended that the policy best suited to this country is not a protective tariff but a customs tariff for revenue purposes. I am well aware—and this is evidenced by the jeers which I heard a moment ago—that I have been taken to task in this debate and in many other debates for what is termed my economic and fiscal inconsistencies.

Some hon. MEMBERS: Hear, hear.

Sir WILFRID LAURIER: I observe that I have struck a responsive chord in hon. gentlemen opposite. I have been accused of having been at one time in favour of commercial union and of I do not know

how many other different heresies. The House is aware, Sir, that I never answered any such charges, not because I do not fully appreciate the courtesy and honour which was offered me by bringing my poor person into prominence, but because I never thought that my poor person was worthy of the honour of taking up so much of the time of the House. But there is one man in this House whom I will not allow to take such liberties with the truth, and that is my hon. friend the Minister of Finance. He knows that these assertions are not true; he knows that if they were true he would not for so long have pulled an oar in the boat of which I was in charge, and in which he and I together had to face, and to successfully plough through many an angry billow. The time came, however, when my hon. friend changed his mind. This is a free country, and he had a right to do so. Of course I am sorry—sorry for myself, but more sorry for him, because if any one changed his mind or his politics it was not I, but my hon. friend.

When we came into office in 1896 we found a protective tariff in force. A protective tariff creates a factitious atmosphere, capital is invested and new industries are started and if you incautiously interfere with that tariff you may produce a financial crisis or a commercial panic which may bring serious disaster to the country. We had that in view; we have it in view yet. The Democrats of the United States, when they came into office two years ago, had the same thing in view; they did not tear the tariff all to pieces at once; they had to proceed cautiously so as not to do injustice to any class and so as to give relief to the consumers without hurting the manufacturers. I think I can say that in 1896 we ourselves did the same thing; we were able to give relief to the consumers and did no injury to any of the manufacturers. But to-day we are told a different story. When we brought in our tariff in 1896 we were at once told on the floor of this House that we would destroy the industries of Canada. As time went on and it was found that the tariff suited the needs of the people; and had produced a period of unexampled prosperity, the tune was changed and we were charged with having kept the tariff in its entirety. I say that there is as much truth in the one statement as there is in the other. When we are told by hon. gentlemen on the other side of the House that we did nothing to reform the tariff, let me remind them that we took the duty off many articles used by the farmer. We removed the duty upon binder twine, upon barbed wire and upon cordage. We did more than that. When we introduced the British preference we introduced a principle the effect of which is felt to this day. We introduced the British preference cautiously. We first reduced the duty on imports from the British Empire by 12½ per cent, then by 25 per cent, and finally by 33⅓ per cent of the general tariff; and the result has been that the British preference has kept the price of articles in this country, both those manufactured in Canada and those imported even from the United States, at a reasonable level, because it is a fact that while manufactured goods imported from the United States have to pay the general duty, the price to the consumer is fixed by the price of articles imported under the British preference. We introduced a new principle the effect of which to-day is enormous. My friend Mr. Paterson, of lamented memory, said once, and I believe with perfect truth, that if the importations of 1911 had been under the tariff of 1896, the Government would have taken from the consumer of this country something like $8,000,000 more than we did take. Therefore, this is our justification for the policy which we adopted, the policy which we maintain and the policy which we propose to apply on the present occasion.

Now, Sir, we propose to deal with farming implements as with everything else. Is the duty on farm implements required for revenue purposes? Nobody will pretend that. Then, can the duty be taken off without any injury to the manufacturer of implements? I have yet to learn that under present conditions the manufacturers of implements in Canada cannot compete with the American manufacturer in the home market. We know that he competes with the American manufacturer in England, in France, in Germany, in Hungary and in many other countries. If the Canadian manufacturer can meet his American competitor in England, or in France, or in Germany, or in Hungary, is there any reason why he cannot meet him on the soil of Canada? An objection has been made for which there is some ground, in that it has been said that it is not fair to remove the duty from the manufactured article because there is a duty upon the raw material. There may be something in that, but I believe that it is a sufficient answer to say that upon everything except coal there is as much duty upon the raw material in the United States as there is

in Canada, and if there is as much duty on one side as on the other there is a parity of manufacturing conditions and the objection does not hold. As to coal, there may be an argument, but it is a notorious fact that coal is being gradually, nay rapidly, replaced by electrical energy. If, after all, these different elements cannot be conciliated, if we have to make the choice between one and the other, whatever may be the position taken by our friends on the other side of the House I say for my part; if we have to make a choice between one interest and the other interest I stand by the agricultural industry which, in the language of my hon. friend, is the basis of all industries, without which no other industry can flourish.

Then, Sir, we come to the other request which has been made by the farmers. They have represented that they are hampered by the cost of production; and that they are still more hampered by the insufficiency of markets. If there is one thing to-day which the farmers want, especially the western farmers, it is wider markets for their products. Their demand has been denied, rudely denied I may say. But there is one thing which the farmers have been given without asking for it and given with a plenteous hand; they have been given advice. The advice is given to them from all quarters on the other side of the House; 'Why don't you go into mixed farming?' How many times have we heard that during the present debate? It can be depended upon that the western farmers will go into mixed farming as soon as they find it more profitable than wheat raising. But we have the experience of the past all over this continent to show that on new soil, whether prairie soil or forest soil, the crop most profitable to the farmer has been wheat. We can follow the production of wheat from the earliest days of the discovery of this continent until the present time; first of all the New England states, in the province of Quebec, in the province of Ontario, in the Genesee valley, then in the state of Illinois, in the state of Minnesota; until now at last it is centered in the three prairie provinces of Canada. As soon as it is profitable for the farmer to go into mixed farming he will do it, but in the meantime he grows wheat. Last year he grew 200,000,000 bushels of wheat. Where is that wheat to go? At present he has only two markets, the home market and the English market. How much can the home market consume? Not 50,000,000 bushels. It is known from statistics that the proportion of consumption is five bushels per head of population, and therefore not 50,000,000 bushels will be taken by the home market. Up to the present moment the English market has not taken more than 50,000,000 bushels and where is the rest to go? The farmers of the West has to find a market for it somewhere. You tell him he cannot send his wheat to the United States, but even now he sends his wheat to the United States in spite of all obstacles. In the last two or three months of the last fiscal year, 2,000,000 bushels of grain were sent from Canada into the United States in the face of an adverse duty. But we are told by hon. gentlemen opposite: It is no use to try to open the markets of the United States to the western growers of wheat because the Americans are themselves exporters of wheat. What a fallacy. The Americans are growers of wheat, it is true; but they are not growers of our wheat and they must have it. Everybody knows that for the last ten years, more perhaps, but certainly for the last ten years, the American people have imported our wheat in bond to grind it in their mills for the European market? What the Americans are doing for the European market they will have to do for their own market also. We are told that the farmers of the West do not know their own business. At all events we can trust to them that they understand this question as well as their critics, and the monopolists who tell them that they do not know anything of their business and that they have a monopoly of intelligence as well as a monopoly of markets. There is another reason which I was surprised to hear advanced upon the floor of this House during this very debate. We have been told: Beware of the Americans; there is a sinister intent in their tariff to-day. The Americans have revised their tariff. Their new tariff provides that wheat shall be free from all countries except those having a tariff against their wheat and wheat products. We have been told: Beware, there is a sinister intent in this. I have only this to say, that the present American tariff is the direct inspiration of President Woodrow Wilson, and I do not hesitate to say, and everybody will agree with me, that with the advent of Mr. Wilson a new page has been turned in American history. If there was a time when it could be charged against American tariff legislation that it was hostile, you cannot charge that to the legislation which is inspired by Mr. Wilson; you cannot charge it against a man who to-day is risking his own popularity amongst his own party to keep intact the honour of the American people, to main-

tain sacred international obligations, and to give to the trade of the world equal treatment with American trade upon a canal built with American money.

When hon. gentlemen charge there is hostile design in that tariff which was the inspiration of President Wilson, I say that such charges fail to reach the man against whom they are directed, and recoil to the confusion and shame of those who make them.

Against the removal of the duty on wheat, I have heard only one argument which has made the slightest impression on my mind, and that is the complaint of Canadian millers. Upon this subject, however, I speak with some diffidence because I do not profess to be competent to discuss the technicalities of this matter; but I have yet to learn from anything that come before me that the Canadian millers are not on a footing of equality with American millers either in the Canadian or the American market. I have not been able to discover what advantage the American miller would have over the Canadian miller if we had the American market? My belief is that the millers on the Canadian side of the St. Lawrence—on the Welland canal and on the Lachine canal—can capture the market of New York against the Mississippi Valley millers because of their advantage in greater proximity to that market. I have nothing further to say on this point except, as I said a moment ago in reference to agricultural implements, that, if the two interests cannot be reconciled, and if we have to choose between them, I stand for the basic industry of this country and without which no other industry can flourish. That is the situation so far as one part of the question is concerned.

All the requests of the farmers have been met with a deaf ear and stern refusals, and as to the consumers the Government has not given them even a passing thought. When Parliament met some three months ago, the very first thing we, on this side, did, was to call the attention of the Government to the high cost of living. We did not press the Government, but we put them on their guard by asking them to look into the matter and to provide some measure of relief. Our suggestion met with a very cold reception, and the Government has evidently remained callous up to this moment. If they are not impressed with the conditions in Canada as to the high cost of living they are the only people in this Dominion who are not. Some days ago I read a lecture on this question by Professor Osborne of Manitoba University, and coming from such a source, you may well imagine that his opinions are not influenced by party politics, his lecture being a mere economic discussion of the problem. This is how he opened:

4 p.m.

> That the cost of living in Canada to-day is exorbitant, there can be no question. The fact is in evidence on every hand. We see signs of it in every newspaper. A commission of investigation has been appointed in one quarter, an angry league of consumers is being formed in another, and the general public may be said to be in a state of revolt on the question. A recent British investigation shows that the cost of living in Canada has increased fifty-one per cent in twelve years. Its nearest competitor in this regard shows an increase of only thirty-nine per cent. The condition has emerged finally in the appointment of a commission by the Government of Canada, but the best evidence of the fact lies in the struggle the large proportion of our population is waging in order to make ends meet. The number of dependents in our own midst is evidently alarmingly on the increase. Ten thousand free dinners are reported to have been given in Winnipeg on Christmas Day. It is admirable that the dinners should be given, but it is a shame that the majority of them should have had to be.

Who will dispute that? I am sorry I cannot give his arguments or statistics, but the conclusion to which he came was that if the cost of living is high, it is not because the producer is paid an abnormal price, but because of enormous profits that go into the pockets of combines and trusts. Speaking of the high cost of food, in so far as that high cost means higher profits for the farmer, nobody makes any objection. The price of food-stuffs commenced to increase some fifteen years ago when we had the commencement of that period of prosperity which synchronized—to use the word of my hon. friend—with the coming to power of the late Administration, and with defeat of which the disappearance of prosperity also synchronized. Prices increased in those fifteen years, but everybody was satisfied that the farmer should get higher prices for his products. Times have changed; there are hard times now. Prices are just as high as they were, the difference is that they are going into the pockets of combines and trusts and not into the pockets of the farmers. Trusts and combines are the bane of these latter days. They are everywhere, but especially in protected countries, where they seem to find a congenial habitat, just as do microbes in dirt and darkness. In the United States they have combines in milk, in meat, in bread, in sugar, in all kinds of commodi-

ties, and Canada is following suit at a pretty lively rate. We have combines in meat, in bread and in flour. Bacon is an article of daily consumption, to be found on the table of every consumer, and to-day bacon is sold to the consumer in England at 14½ cents per pound, while in Toronto, Montreal and all the western cities of Canada it is sold for 19½ cents per pound, or five cents more than in England. That five cents does not go into the pockets of the farmer, but into the pockets of the combine. So it is with flour. To-day flour sells in Canada for something like $5.50 per barrel, and in England the same flour sells for $4.70. These differences in price do not go into the pockets of the farmer, but into the pockets of the combines. I will be told —I am sure of it—that prices in England are lower because wages are low in England, while wages in Canada are high. I will be told that in England the working man is paid a starvation wage, but that in Canada he is paid such a wage that he can bring up his family in comfort and respectability. When it was suggested to the Minister of Finance that we might have free food, he at once objected with horror, and he said it could not be done, because in Canada we wanted to keep the wages of our artisans and our workmen up to the fair wage standard.

These are his very words. Then he gave a concrete example. He said some time ago, in answer to myself, that he could not think of having free food because free food would affect prejudicially some 7,000 establishments and the wages of some 50,000 operatives. I had better quote the words of my hon. friend on this point:

> In addition to that, free food means that the policy of my right hon. friend affects in Canada, according to the statistics of the Year Book, 6,985 establishments with a capital of $133,000,000, employing 52,000 men on wages, paying $14,000,000 in wages every year, using material to the amount of $175,000,000, and with an output of $245,000,000.

These are high sounding words. The figures sound big, but analyse them, and they are perfectly hollow. The reason my hon. friend says he cannot think of having free food is because if we were to attempt it we would affect the wages of 52,000 men who earn something like $14,000,000. How much is that for each one of these 52,000 men? What does it represent? It would mean for each $270 a year or $5.20 a week. That is the standard which my hon. friend says must be kept up in the interest of the operatives of the country. Is my hon. friend serious? Here are his own words, the statement and the figures which he gave—$14,000,000 divided among 52,000, operatives and it means $270 a year for each one of these operatives upon which to bring up his family in comfort and respectability.

What becomes of the theory of my hon. friend? Delusion! Oh, delusion it is. The theory that taxation increases wages is not justified, at least for the kind of products to which my hon. friend refers. Are we to be told that we are going to continue to pay two and three prices for food in order to have such wages as $270 a year? This is the condition to which my hon. friend has reference. It has been written that truth and justice will in the end prevail. Truth and justice have already come. When the prophet Balaam was called upon to curse the people he met in his path the angel of the Lord, and in spite of himself he had to bless instead of curse. My hon. friend met in his path the angel of truth, and from his own words he blessed where he wanted to curse, and he cursed where he wanted to bless.

We have in this country a condition of things that is a cause of anxiety to every wage-earner and to every mother of a family. But we have been told that this thing is to be preserved intact because if we touched it we would affect the wages of the operatives of Canada. Many people believed, and I am sure that hon. members on the other side of the House believed, that working men were paid a high wage, that they were getting $600, or $700 or $800 a year, but they are only getting $270 a year, and you have it from the mouth of the Minister of Finance.

In the face of such a condition, these figures teach a lesson and that lesson is that there is a great deal of fallacy in the theory which has long been prevalent, that taxation means high wages. These figures show clearly that it does not, and it is time—high time—that we should revise the tariff with a view of reducing the cost of living and relieving the wage-earners, and the mothers who have to bring up families upon this meagre income, from the incubus which has been upon them night and day, and which is a disgrace to the fair name of Canada.

We on this side of the House are not revolutionists; we are reformers, but we tell hon. gentlemen opposite that the tariff exists for the people and not the people for the tariff. The tariff is not immutable

like the laws of the Medes and Persians. The tariff has to be readjusted from time to time to bring it into harmony with changed conditions. It has to be readjusted periodically, because after the lapse of a certain period we know that changes in conditions have taken place and the tariff has to be readjusted in order to correct errors and to remove evil where evil exists.

But, I may be told that the tariff is of my own creation. The tariff was of our own creation; it suited the year 1897, but eighteen years have passed since and the time has come when we must have a revision in order to correct errors and to meet changed conditions. We were told the other day by the Minister of Finance that he was ready for and invited the challenge. We on this side of the House accept the challenge upon this one question, and, animated with the view that the time has come for a new revision of the tariff, I beg to call the attention of the House to this proposition, which I move:

That this House is of opinion that in view of the prevailing economic conditions of the country it is advisable to place wheat, wheat products, and agricultural implements on the free list; and that without doing injustice to any class, steps should be taken to alleviate the high cost of living by considerate removal of taxation.

Hon. GEORGE E. FOSTER (Minister of Trade and Commerce): Mr. Speaker, at this particular period of the debate, when the ground has been very well gone over and everything winnowed out, it is not to be wondered at if my right hon. friend (Sir Wilfrid Laurier), who has just spoken, or that I, who am to follow him, should find it very difficult indeed to get enough material upon which to base a speech.

I do not know that I could in any more humane way let down my right hon. friend on the words which have just been uttered by him, and he will probably be in a position to return the compliment to me when I have made my few remarks. Two courses are open to me; one, make a review of the situation, the other to devote my attention to the remarks made by the preceding speaker and make as fair an answer as I can to him. Should I take the latter course, I am quite conscious, if I do it properly and do it tersely, that it will not be necessary for me to take up much of the time of the House; should I take the other, I am afraid I will have to trespass upon the patience of both sides of the House, and be open to the imputation of having left the remarks of my right hon. friend unanswered. Therefore, if the House will allow me, I will say a few words with reference to the remarks of my right hon. friend.

The motion moved by the right hon. gentleman is not quite so inclusive as many people in this country had been led to believe it would be. I remember reading a speech made by my right hon. friend in the city of Hamilton in which he took very much broader grounds than he takes to-day; grounds in which he covered the necessities of the occasion as he saw them, in far more vigorous English than he has used here to-day. What has taken place which has reduced the broad, wide platform of my right hon. friend enunciated as the foreword and motto from this time on of the party that he leads? What has necessitated the paring down of that wider ground to the far narrower limits in which he has confined it to-day? I think we, who have been observers of what has been taking place, quite well understand some of the reasons why the motion of my right hon. friend is so inadequate to his lofty and wide professions. Perhaps my right hon. friend knows more about these reasons than I do; but I am inclined to think that none of us will be far away from a proper conclusion, if we arrive at a solution of this little problem somewhat in this way, that my right hon. friend leads a heterogeneous army made up of many small battalions, each battalion being almost limited to the leader of the same, he being both the leader and the battalion itself. My right hon. friend has had difficulties facing him for the last three weeks, if not longer, and he has tried to cut the Gordian knot by putting on the table of the House a resolution in which he and his party—after all they have said, after all their declamations, after all their professions, after all their vehement assertions as to the cost of food products and as to the necessity for giving the homes of this country something cheaper in the way of food—stand for free wheat and free agricultural implements, but not for free food. That is not as broad a gage of battle as the Minister of Finance invited him to throw down. We certainly have the advantage on this side of being broader gauged in that respect and it is no doubt a disappointment to the Minister of Finance, as it is to all of us, that the field of battle has been brought down from a high and broad series of plains and hills, where you could have deployed in splendid style and carried on the battle in

many directions, to a small restricted field, of two or three very small things in so far as they affect the dining table of the people of this country. My right hon. friend felt insulted that the Minister of Finance had only taken five per cent off agricultural implements; at least he said so and looked as if he were insulted, and perhaps he was. All I have to say to him in answer to that is, that he knows what we on this side felt when on one particular occasion he brought down on agricultural implements a reduction of only two and a half per cent. He has been paid back in his own coin, but we give him a more liberal measure than he meted out to us.

Agricultural production, he declares, is on the decline; that it is not proving itself equal to the demand; that in the East as well as in the West it is, if not a vanishing, certainly a receding industry. That may very well be so. It is true that the worst and most inveterate diseases are longer in coming to the surface than are the less inveterate diseases, and the virus, the microbes, which were implanted and deeply implanted during the fifteen years of the administration of my right hon. friend, must be given a fairly generous time to develop themselves in the body politic and show the results. If these are the results, then they are the sowing not of the last two and a half years, but of fifteen years, coming now to the fruition of evil results upon the basic industry of this country. My right hon. friend draws a long bow when he speaks of the decadence of agriculture in this country, as he himself knows. It is rhetoric that he has been using, not fact, and there is not a farmer from Cape Breton to British Columbia that will agree with him in his statement that agriculture is decadent in this country. There never were better agricultural methods employed in the Dominion of Canada than in this year 1914; and the progress has been continuous, though slow in some years and in some respects; but the fact remains, I believe, absolutely true, that the methods of agriculture and the results of agricultural methods are far better to-day than they have been at any previous time in the history of Canada, and are constantly improving.

All Canadian governments, for the last thirty years, provincial as well as Dominion, have felt it a duty incumbent upon them to instil methods of better culture and by experiment, by expenditure, by representation and distribution of these experimental results to improve the grade and the power of agricultural production. They have succeeded. My right hon. friend may show that there are fewer cows in a certain agricultural district to-day than ten years ago, which is a thing not very new in the history of all progressive countries. But he might also have learned that the cow of to-day is often a much more useful and productive animal than the cow of ten or fifteen years ago. He might have learned that in the way of grain raising and in agriculture of every kind, production has been largely, in some cases very largely, increased, and that the same quantity of land and the same number of kine are not necessary for even a greater production than we had ten or fifteen years ago. I wish particularly to call the attention of the House and of the country to the statement made by the right hon. leader of the party which is to rule after the Liberal-Conservatives have grown tired of their job—a statement made in the face of the knowledge of the whole country—that agriculture is to-day a decadent industry in Canada.

He declared that our agricultural production is not equal to the demand. There is another side to that question. Is not demand for agricultural product very greatly increased in this country as compared with what it was ten years ago? Is there not a much larger consuming population? If we went into the figures accurately, taking our exports, which have decreased in some lines, and, taking our home consumption, which is very largely increased, we might come to the conclusion—and I think we should come to the conclusion—that to-day the agricultural products of this country are greater than ever before; and that if there is less export in certain lines there is a far larger home consumption. I just call to my recollection now when making that statement that this was the argument used by hon. gentlemen opposite when they were on this side of the House, and we, then in opposition, called attention to the fact that in certain lines our export of agricultural products was not increasing as we thought it should have done.

I want to come right down in one single word to the argument of my right hon. friend, when he says that the land is being depopulated and that what we must do is to get the people back on the land. I wish to call his attention to the heroic remedy which he proposed. What was that remedy? In Hamilton it was free food. Why was it

free food, in Hamilton? Because the cost of living was so great that he felt that as leader of a party he had to point the way out to a reduction in the cost of food. In the maturity of his powers, and after his own careful consideration of the question he came to the conclusion that there was but one way to do it, and that was to make food products free. That was his bold, his logical, his real panacea when he spoke in Hamilton. He would get the farmers back on the land and keep them there, and he would cause new settlers to go upon the land by bringing in measures which would reduce the price of the articles that the farmer has to sell. My right hon. friend is not so courageous to-day as he was at Hamilton. Why? Is the principle any less clear than it was in Hamilton four months ago? Are prices of food any lower to-day than they were in Hamilton four months ago? Is the condition of the householder and housekeeper any different from what it was then? These were the considerations that weighed with my right hon. friend then; and when he had sifted out the matter he came to the conclusion that there must be relief, that relief was possible in one way and one way only—give them cheaper food. And this was to be done by taking the tariff off food products and letting the people have their food free. Where is he to-day? And why is he on more backward ground to-day than he was three months ago? He has no answer but the opportunist's answer—the men behind him and the men from whom he expected support have told him: 'Wrong again! Right about face!' and he has made the right about face. There is the courageous, heroic leader of the party of reform. Convinced by logic and the experience of thirty years as to what he ought to do, he yet snuffs himself out and drags along at the tail of a small drove which is talking free wheat, free agricultural implements and 'considerate removal of taxation.' He tells the people: If you cannot get bacon at any less price—and he has described how it is five cents a pound more to the artisan and consumer here than in Great Britain—if you cannot get bacon for less because I am not as brave as I should have been, take comfort—you can have bran! If you must pay eighteen cents to twenty-five cents for your beefsteak, pay it; or, if you do not feel able to pay it—eat bran! Free wheat and wheat products, says the right hon. gentleman. Flour changes less in price than any staple article of food in the country, and so he is in favour of the great blessing and relief of free wheat. Look at the ordinary man's breakfast table; how much of it is composed of wheat and wheat products and how much of other things? What benefit do you give the householder who, because of my right hon. friend's eloquent advocacy of some relief in this respect feels still more the great burden that he has to bear; what relief do you give him?

He can have, if you have the power to give it, a free market for his wheat and wheat products; he can get his hoe or his harrow or his reaping machine, which he does not use, at a little less, because the duty would be taken off. But in respect of what he has to eat; in respect of what goes into his stomach three times a day, you were not brave enough to follow out your professions and your convictions.

My right hon. friend turns to us and says: What are you there for as a Government; something has to be done, and you are to do it. Well, he has given us about the measure of what things we ought to do. We would rather that he himself would carry out that policy as a remedy for the whole situation; it is not one that appeals to this Government. He says that, historically speaking, the new lands are for wheat and the older lands for other agricultural products. Historically, that is true, but it is a thing which follows naturally. I tell my hon. friend right now that the time is coming in the West, as it came earlier in the East, when wheat will no longer be—and, for the best interest of the country, ought no longer to be—the only great product of our new western land. If history teaches the lesson which my right hon. friend has stated with reference to the cycles of growth and the successions of them, history is repeating itself to-day in our great West. We are told that we are very fond of giving advice on this side of the House and that whenever the western situation is brought up all we do is give advice. The hon. member for Humboldt (Mr. Neely) is rather nettled at the idea that gentlemen on this side of the House should express any sympathy for or any good will towards the western farmer. I do not think that is a right and Christian spirit. There are few hon. gentlemen on this side of the House and very few people in eastern Canada who have not friends, relations or neighbours in the West. Every man in the East has a lively sympathy for and the best of good-will towards his friends in the West who are carrying out the earlier pioneer movements. If we mention the people of the West, it is

not to lecture them. If hon. gentlemen on this side give their views, that is what men in this House are here for. The business of public men is to get the best information that they can and to give to the public the best information that they can after they get it; to interchange their views, one with another, for the common benefit and for the common interest. Our advice to the western farmer to go into mixed farming, which has been scouted by hon. gentlemen opposite, is the very thing which is taking hold of the West to-day from one end to the other. In all organizations in the West; in all bankers' meetings; in the meetings of any society; in all the agricultural associations and agricultural papers, the burden of the song, the advice and the counsel to-day is: We must change our methods and get into mixed farming. Why should we be objurgated because we express the same opinion here? What we are trying to do and what we ought to try to do in this House is to give the best information that we can and to interchange our views for the good of the country. I have no hesitation in saying that in this time of readjustment—for it is a time of readjustment all through the country—one of the biggest things in readjustment is that which is taking place in our great West to-day, and that readjustment is on the line of less exclusive wheat production for the sake of the sale of the wheat, and for more variety of industry and production in the West.

What my right hon. friend and his followers on the other side of the House are agreed upon is the assertion that this is a period of depression in Canada. There is no lack of unanimity among them in that respect. Some of them are so set upon having this little idea all to themselves that they resent any attempt on our part to show that there is any similar depression in some other country. This they vigorously deny; the hon. member for Assiniboia (Mr. Turriff) was very wrathy in the thought that any one should suggest that any other country should have a bit of this depression at this particular time. He wants it all for Canada, and especially he wants it all for the West. We will agree, for the sake of peace and quietness, that this is a time of depression as compared with the buoyancy of the past in the Dominion of Canada. But I take leave to point out what I think has already been pointed out: That there are many features of this so-called depression in Canada that are worth keeping in mind. What are they? That after a period of unexampled expansion, extending over a long period of years, with very little break, all the indicia of progress and virility and power are pretty nearly as striking to-day as they were in 1912 or 1913. Your revenue, which is an index of the business that is done, is $163,000,000 for the year which has just ended; only $6,000,000 less than it was in 1912. Turn again to another indication—the trade of the country. After an unexampled series of brilliant and progressive trade years, 1913 shows you a trade which is greater than 1912 by $200,000,000, and which is well up to, if not in advance of, the trade of 1912-13. But you go still further than that; you go down to what are the foundations upon which the nation rests—its great basic productive industries—and what do you find? I believe that when the figures for 1913-14, marked by the depression so dearly loved and so expatiated upon by our friends opposite, are totalled up you will find that in our basic industries we have reached the largest output in the history of the country. You will find that our mines will show as compared with 1912 for 1914 some $14,000,000 worth of extra output, and you will find that our manufactures will show $20,000,000 extra output. You will find that our fisheries will show $4,000,000; that our forests will show $3,000,000; that our animal products will show $6,000,000; our agricultural products $101,000,000 and, as I said, our manufactured products, $20,000,000. Can you go back to any other period of the history of Canada or of any other country and show a silver lining like that to the depression which was upon the surface of the cloud? It cannot be found in Canada, it cannot be found anywhere else. That is in all the depressions you talk about in the very year in which you talk about it, all these great basic industries are producing by millions more than they did in any other year in the history of our Canadian nation. The depression is not a sign of inherent weakness; it is more like the case of a man of super-abundant energy who, for a time, has been putting forth superhuman exertions and is tired and his nerve force and his bodily vigour are somewhat dulled for the time being. All you need to do is to give him a rest and put him on a fair regime for a little while; the man's inherent vigour and vitality will break forth in still greater effort and be crowned with still greater results. A depression like that I am not going to lament over, and I present that

kind of a depression to my hon. friends for their sustenance and their comfort. It is perhaps not just the kind they would like, but it is the only one that the country can give them at the present time, and they will have to be content with it.

My right hon. friend thought he made a great point in proving that agriculture was on the decline by the declaration that there had been a diminution in homestead entries in the West during the last few years. But my right hon. friend, if he had gone back a little earlier than that, would have found that these things are apt to occur; they are not inherent signs of decadence or of a downward tendency, they are a temporary thing, which, in the very mutations of social and national progress, always vary the landscape, sometimes throwing a shade of darkness, at other times breaking out into splendid light. From 1906 to 1908 in his time, homestead entries went down by 11,000. In the last period that he has quoted they went down by about 11,000. As a matter of fact about 600 less than in the preceding period to which I have alluded. Well it is worth while calling it to mind that I did not hear my right hon. friend in 1908 talking about the decadence of agriculture and proving it by the fact that homestead entries in those two years had gone down by about 11,000.

I want to ask my right hon. friend a question. As leader of the Opposition, putting forth the facts upon which he based his case, has he been certain that the facts are correct? I allude to just one point. He was talking about the millers and the flour industry, and made the statement that flour sold in Canada for $5.50 per barrel, and was selling in London and Liverpool for $4.70. Where does my right hon. friend get these statistics and that information? We had a statement made by the hon. member for South Cape Breton the other day which conveyed a double inaccuracy. He declared, in order to make a point against the millers and to curry favour with the consumers, that flour was sold for $5.10 in Montreal, and that down in Halifax you had to pay $6.50 for it. That is a strange statement when you come to think of it. The freight from Montreal to Halifax is exactly 25 cents a barrel; 25 cents added to $5.10 would make $5.35. I never believed that the Halifax people were so bereft of business acumen and ability as to pay $6.50 there for flour which they could have got in Montreal for $5.10 and carted down by the Intercolonial for 25 cents. He made the statement also that flour which sold for $5.10 in Montreal was sold in London for $4.18. My right hon. friend, wherever he got his information, was sadly out. He was not? Well, I am not going to quarrel about the adjective, but I am bound to maintain that he was far out. I hold here the actual statistics and the prices of flour in the different months. Canada spring patents in January are quoted in Liverpool at from $6.33 to $6.81. All through the month of January they ran about those even quotations. In February the same quotations were followed pretty closely, $6.33 to $6.81, and the other patents in varying degrees.

Mr. A. K. MACLEAN: Per barrel?

Mr. FOSTER: Per barrel.

Mr. A. K. MACLEAN: Is flour sold in barrels in England?

Mr. FOSTER: It is sold in bags, and there are so many bags to the barrel, and the price here is the barrel price.

Mr. A. K. MACLEAN: The hon. gentleman may be right, but he should not be too sure about it.

Mr. FOSTER: I think I am so sure that I cannot help but be right. The Liverpool price is quoted on the basis of a sack containing 280 lbs.

Mr. A. K. MACLEAN: How many pounds in a sack?

Mr. FOSTER: So long as my hon. friend and myself are going to have a little tilt about sacks, I am going to tell him that there are several kinds of sacks.

Mr. A. K. MACLEAN: You would make a good sheep farmer.

Mr. FOSTER: I would like to ask my hon. friend if he can answer a conundrum. Why are there more black sheep in Nova Scotia than white ones?

Mr. A. K. MACLEAN: The hon. gentleman is so efficient in his knowledge of sacks that I thought he would also be proficient in reference to sheep.

Mr. FOSTER: If my hon. friend wants to get to the facts, the price quotation is based on 280 lbs., which may be all contained in one sack. There are sacks that have 98 lbs., and sacks that run to 280 lbs., and sacks that contain 112 lbs. They run so many stone to the sack. As I stated before, the price is reduced to the barrel basis of 280 lbs.

Sir WILFRID LAURIER: Is it higher in England than in Canada?

Mr. FOSTER: Yes, for that kind.

Mr. A. K. MACLEAN: I do not think the figures from which the hon. gentleman is quoting reduced the cost from sacks to weight in barrels.

Mr. FOSTER: If they are not reduced from the sack to the barrel, then they are reduced to the sack price for 280 pounds. You can figure out the difference and you will still find that I am on the right side of the equation, and that the wrong figures have not been given.

Mr. A. K. MACLEAN: Withdraw the statement about prices, and go ahead.

Mr. FOSTER: I will tell you what I will do: I will look at it again.

Sir WILFRID LAURIER: The hon. minister challenges my figures. I do not pretend to be an expert myself, but in some correspondence in the newspaper the other day I saw the statement that the price of flour in England is lower than in Canada. I asked a friend to look into the matter—he is a very careful man, and I rely on his authority—and this is the information he sent me. He gives the price of flour in Toronto, Winnipeg, Montreal and London, England, for the month of April in the years 1912, 1913 and 1914. In 1912, the prices were: Toronto, $5.30; Winnipeg, $5.70; Montreal, $5.50; London, $4.95. In 1913, Toronto, $5.10; Winnipeg, $5.70; Montreal, $5.20; London, $5.04. In 1914, Toronto, $5.30; Winnipeg, $5; Montreal, $5.40, and London, $4.70.

Mr. BORDEN: Was it the same quality of flour in all cases?

Sir WILFRID LAURIER: Yes, so I understand. Moreover, I think it cannot be denied that bread and flour are cheaper in England than in Canada.

Mr. BORDEN: I would like to say to my right hon. friend that I was present when a delegation of millers from different parts of the country presented their views to the Government, and I put that very question to them. I said that it had been stated in the public press that flour was sold abroad at a lower price than in Canada, and they assured me that that was not the case. I have no personal knowledge of the facts, but they said the flour sold abroad at lower prices was of a quality that could not be sold in Canada.

Sir WILFRID LAURIER: I do not know personally, but I got the information from a man on whom I can rely.

Mr. CARVELL: Change the figures to $4.40 a barrel and you will be all right.

Mr. FOSTER: These little difficulties occur because the question has not been carefully studied beforehand. This was put in my hands just before I came in. I had the impression that the prices I have read were reduced to the barrel basis, but looking at it again I find that they are reduced to the 280 pound sack basis; so that you would have to take that proportion off from the $6.33 to the $6.81 to get at the barrel price. That would bring it to $4.80.

Mr. CARVELL: $4.40.

Mr. FOSTER: The question remains as to whether the prices which my right hon. friend has read are for the same grades of flour or not. That is the point. I have the best information I can get. I have here a list of the different grades of flour which I propose to give to the House: first of all, there is the top patent; then the second patent or bakers' flour; then first clear and second clear. The top patent is the highest grade of flour, and of that grade very little, if any, is exported to the old country. I think I am correct in my facts up to that. The second patent is a flour which is used by bakers, and a very small proportion of that grade is exported to the old country. In the month of January, for instance, only about 36 per cent of the total product of that kind of flour was exported. The kind of flour exported to Great Britain is the first clear. That is a strong dark flour which is almost unsaleable in Canada. Our householders use only top patent flour, and the bakers use second patent, so that when you say flour costs the householder in Toronto $5.10 or $5.18 and sells at Liverpool or London at $4.18 or $4.20, you have got to be certain that you have your grades of flour lined up properly, because in all probability you are comparing first clear in the London or Liverpool market with top or second patent in the Canadian market.

The hon. member for South Cape Breton (Mr. Carroll) said that Britain took only the best grade of flour, and so he came to the conclusion that the flour quoted in London at $4.18 compared with the flour sold in Montreal or Toronto at $5.10 or $5.18.

Mr. CARROLL: No, I did not say that. I said the very best flour was used for export, and that the statement that only the worst grades of flour were exported to England was incorrect. I gave statements to show that the very same kind of flour selling for $5.50 in Montreal costs only $4.18 in Liverpool.

Mr. FOSTER: My hon. friend will find that he is wrong in that. I think he was challenged for his authority, and he stated that he read from a statement in the Montreal Standard by a correspondent who did not attach his name. I am quite certain that if he will go to the proper sources of information he will find he is mistaken in saying that the best grades of flour are exported to the old country. The opposite is the fact; it is the low grade flour that is exported to the old country. Of the first clear grade, about 90 per cent is exported to the old country, and but 10 per cent used in this country. Of the second clear, 90 per cent goes to the old country, mostly for feed purposes, and but a small proportion is used in this country, also for feed purposes. We must distinguish the flour quoted at Montreal, Toronto, Halifax and St. John, which is always either top patent or second patent if it is for bakers' use, or blended if it is a family flour, from the flour exported to the old country, which is of a quality that our people will not use.

5 p.m.

Mr. A. K. MACLEAN: Is not our export flour made from a blended wheat?

Mr. FOSTER: I am informed that blended flours are not exported from this country to any appreciable extent at the present time.

Mr. A. K. MACLEAN: I understand that almost nothing else is exported at the present time.

Mr. FOSTER: My hon. friend will find that his information is not correct. After this digression on the technical point of the price of flours, I want to get back to my remarks in reference to the speech of my right hon. friend.

In talking about the influences which tend to attract people to the farms, the diversion from which was so much deplored by my right hon. friend, there are several which are working in the direction of attractions to the farm and the land. Amongst these influences none is greater than the question of good roads. In all the foremost agricultural countries of the world, where they are striving to keep people on the farm and to attract them to the farm, the subject of good roads is receiving the greatest attention and in this connection large amounts of money are being expended. It is in that direction that much good is being done in the Dominion of Canada as well. But I would remind my right hon. friend that he has not been forward in helping this present Government in its endeavour to have good roads constructed in the different provinces of the Dominion. I believe that a forward policy on the question of good roads, carried out fully and carefully in the country, will do more than almost anything else to keep people upon the farms, to attract people to the farms and to make farming a more delightful and companionable occupation than it is at the present time.

In connection with that, good roads also includes electric railways and tramways and everything of that kind that can contribute to the quick carriage both of information and the products of the field from where they are produced to the centres of population where they are marketed. It is along that line that this Government has taken a forward step. My right hon. friend's party have not assisted this Government in aiding and helping the farmers in that direction in the way in which they should have done.

My right hon. friend had his play with my hon. friend the Minister of Finance, recalling the time some years ago when he and the Minister of Finance were paddling in the same canoe and he rather thinks it is to the disadvantage of the minister that he got out of that canoe. There are two remarks which I have to make in respect to that. When the Minister of Finance was paddling in the canoe with my right hon. friend the leader of the Opposition, honest now, was not the leader of the Opposition telling the Minister of Finance—not Minister of Finance at that time: Do not have any qualms of conscience; I am talking free trade where I want to get votes, but—whisper it in confidence—go paddling along in that same old canoe with me and I will take care of the manufacturers. And to use a word of my right hon. friend, there is a synchronization in time, as to when the Minister of Finance left that canoe, when he began to get very suspicious as to whether or not his right hon. friend was not playing double with him and when he thought discretion was the better part of valour and that the canoe should be

left. I do not think I shall follow my right hon. friend any farther along the line of his remarks but shall take up some new subjects in the time that remains to me along more general lines and I will possibly touch on some things that my right hon. friend has said.

My right hon. friend is looking for a policy —I sympathize with him very much in the difficulties which surround him—and is trying to find a policy that is practical and that will carry with it some few shreds of consistency. My right hon. friend's position is a hard one. He was opposed to the National Policy from 1878 to 1896, opposed to it tooth and nail and with every resort in his power. He came into power in 1896 and, despite all his professions of hostility to protection and its methods, he espoused the protective principle, embalmed it in his tariff, kept it there against assaults from within his own ranks and assaults from without, and up to the time of the dissolution of Parliament he maintained that principle of avowed protection in his tariff. In 1911 he took up the idea of the reciprocity pact with the United States Government, and he ventured his fortunes upon that. He went to the country upon that issue. Never in the history of Canada was an issue more clearly put before the electorate than was that issue in 1911. Never was there a more intelligent discussion of a public question on the hustings than in August and September of that year. Never was there a more emphatic reply to the issue which was raised than the reply given by the electorate in September, 1911. My right hon. friend remembers that defeat and finds it very difficult to go back to the reciprocity issue of 1911. He is disinclined to go back to the protective policy which he carried into effect from 1896 to 1911. Why? Not perhaps because he does not think that it embodies the right principle but because it does not differentiate him sufficiently from the party in power and therefore it is of no effect in the country for him to espouse that principle. It is a political policy that he is after and not a policy for the country.

If it were a policy for the country it would be one of two; either the policy that he carried out for fifteen years, that he gave the seal of his approval to and under which he declares this country progressed with immense strides, or it would be a repetition and recall of the policy of reciprocity as set forth by the party in 1911. But my right hon. friend finds this last impossible in face of the great revolt of the electors. He finds the first impossible because it gives him no line of cleavage with the party in power upon the great issue of the country—the fiscal issue. Therefore, he is bound to look for a political and party tariff question in order to make an issue before the electors. So he catches on to this cry, the most patent and the easiest.

Who does not like to have beefsteak, fresh and juicy, put on his table at twelve cents a pound rather than to have to pay eighteen cents a pound for it? There is a wide constituency in this country who would rather pay five cents less for a dozen eggs than five cents more. There are an immense number of people scattered from Vancouver island to Cape Breton who would like, if they could have it, to have their bacon for fifteen cents a pound instead of paying nineteen cents a pound for it. My right hon. friend, in his cogitations in his bed at night and in his walks by day, says: There is the biggest constituency to be tapped in this country. You just go to them with the propaganda that, if they put you into power, you will give them their eggs for five cents less a dozen, their beef for five cents less a pound, and all their food products at a reduction; and if you do not capture all of them, because there are a good many sensible people in this country, you will stand to capture quite a number of the unthinking crowd. We will make that No. 1 of our new policy. Then he says: There is the farming class, a large class, the dominant class, the basic class in this country. Every farmer would rather have free agricultural implements than to have to pay even a small tax upon them. We may not get all the farmers by making an appeal for free agricultural implements, but we may get a certain number of them and shall have a wide constituency to which to appeal, and a splendid electioneering ground. We will make that No. 2 of our new party policy. Again he looks upon the West and says: The Grain Growers' Company, the Agricultural Association, the man who follows the plough and who operates the reaper, all would like to get their agricultural implements cheaper by the amount of the duty, if it could be done. We shall have a large operating ground there if we adopt the plank of free agricultural implements. My right hon. friend, if I am not misrepresenting him, came to this House and met his party with the firm view that free food, free agricultural implements, and free wheat should be the slogan with which they would next appeal to the electorate. My right hon. friend has had to omit the largest and widest part of this propaganda; but am I wrong or

right in saying that, what my right hon. friend has pitched upon, is not a policy which he has based upon the needs of the country and the best interest of the nation at large, but the particular policy upon which he thought, under all the circumstances, he could combine his following as an appeal for party advantage and for party plans, if possible. That, I think, is a fair version of this matter. I doubt if my right hon. friend will succeed; in fact, I have no faith that he will succeed. Why? Because it is not statesmanlike ground, because it is not national ground; it is an appeal to section and class, and no appeal to section and class will be ultimately successful in this country, and no appeal to section and class is a national appeal in this country or will square itself with the national feeling and aims of this country. My right hon. friend says: If it is to be a choice between two, I will take the farmer and give him his implements free rather than take the manufacturing industry concerned with the making of agricultural implements in this country, and give it even a small protection. I will take my stand between those two. He says the same with reference to the wheat growers and the wheat millers, and he thereby differentiates between classes in the basing of a national fiscal policy which, if it has any solid basis, must have one of principle and not of expediency. By what methods of reasoning can he justify the basing of an economic fiscal policy upon simply the demands of one or another class without taking into consideration the whole nation, the whole pact of industry, the whole pact of production? My hon. friend from Westmorland (Mr. Emmerson) uttered a truth in his free trade speech the other night when he said, 'You cannot favour one and discriminate against another in this matter of tariff policy.' So my hon. friend made himself an out-and-out free trader. There he is consistent, if he has the courage to carry it out in his political work. But it is dangerous ground and weak ground to go upon to pick out two or three classes for special favours in tariff matters and base your fiscal policy for the whole country upon ground of that kind. Why? Because in the first place, it is neither fair nor just, and, in the second place, it does not tend to security. A fiscal platform should be based upon something which has principle, so that the great mass of the people may know upon what they can depend. What dependence is there if you base a tariff upon picking out this and that and the other for special tariff favours? Every other industry, going along on a certain basis, does not know at what moment there may be another picking out, another alignment for the same purpose which will interfere with their business. With such an alignment as that you produce a feeling of insecurity and a lack of stability in your tariff which will react upon the stability and development of the industries of this country.

In regard to free wheat, my right hon. friend uttered what almost every speaker on that side of the House has uttered, a statement something like this: The farmer asks free wheat; why not give the farmer what he asks? Will the members on both sides of the House just let that settle into their minds, and see where it leads us? The appeal is made that in a matter of fiscal legislation we must base ourselves upon this as a proposition: If any one interest asks a certain thing, then they know more about that thing than anybody else does; give them what they ask. Is that possible as a basis for fiscal legislation? Is it possible for Canada to proceed upon that basis? I say it is not; I say that the tariff of this country is inter-related, every industry almost with every other, and the very moment you admit the principle that, if one particular industry must have what it wants in the way of fiscal legislation because it wants it and has most to do with it, you will be on a basis as unstable as water and as liable to injustice as anything possibly can be, which will work for the downfall of any fiscal system based upon it. Let us see how far that goes. The farmer wants free wheat in the West. Why? Because it will be to his advantage in the way of price. His business will be better, he thinks, if he has free wheat. He therefore says: My interest lies in the direction of free wheat; give me that on the fiscal calendar and I will make more money. The miller comes in and says: I have to do with the grinding of wheat; I know this business and know it perfectly; my interest lies in giving me a certain fiscal line on my wheat. Why do you not listen to the miller as well as to the farmer? If you are going to single out one class and take the dictum of that class and base your legislation upon it, to be consistent you will have to do it with other classes as well. I believe the farmers of this country know that of all classes they are most interested in having a populous, prosperous and progressive country in which to conduct their operations. There is no industry more

tied to its habitat than is the farmer's industry. The broker is here to-day and there to-morrow; the small manufacturer, while, to a certain extent tied to a locality, yet finds it comparatively easy to change. But the farming community is settled upon its acres, thousands of miles away from a distant market, and its prosperity depends upon filling up the country with a population that consumes the farm products, it depends upon the establishment and maintenance of a good home market. Calculate the value of the products of agriculture in this Dominion, and substract the comparatively small amount of the exports, and you find that probably eighty per cent of what the farmers of this country produce is consumed within the bounds of the Dominion. So, the farmer is vitally interested in having the industries of the country at their highest level of efficiency and their widest range of distribution. And I do not think the farmer himself is oblivious to this; I take it to be true that from 1878 up to the present time the mass of the farming population has been absolutely in accord with the general protective policy of this country because it has brought to them a great and prosperous home market. Nor is the farmer averse to paying his proportion of the taxes involved.

I remember, not so many years ago, when the duty on agricultural implements was thirty-five per cent. That was reduced to twenty per cent under the Liberal Conservative regime. There was a reduction under the Liberal Government of two and a half per cent, and a further reduction was made by my hon. friend (Mr. White) a few days ago of five per cent. So, in coming down from thirty-five per cent to twelve and a half per cent—all but two and a half per cent of which reduction has been made by the Liberal Conservative party—if agricultural implements are to-day at the call of the farmers of a country whose policy is a policy of protection at no more than twelve and a half per cent, I believe the farmers do not object to paying that duty as their contribution to the revenues. For the farmers, as a class, have had very much done for them. Every Government, whether that of my right hon. friend or that of the party opposed to him, has had a favoured and favouring face towards the farmers. In the way of experimental farms and stations, in the way of education, in the way of experiments in seeds and everything else, hundreds of thousands and millions of money have been expended for the benefit of the agricultural, stock raising and dairying industries of this country. There is not one class that has had so much attention paid to them—and rightly so—as have the farmers of this country. And they quite understand that.

Now, I wish to say this in connection with free wheat: My right hon. friend thinks is is an easy thing to single out wheat and put it on the free list and not run up against difficulties. My mind does not run in that way. This question has its relation to a great many other industries. In the first place, let us follow the matter up to see who will get the benefit of the increase in price supposing there is such an increase. The argument of my right hon. friend is: Give free wheat so that the farmers of the West can get a number of cents per bushel more by having the United States market opened to him. But if you have a country that has a surplus of 140,000,000 or 150,000,000 bushels of wheat and you open up the market of a surplus country directly alongside of it having a surplus of 180,000,000 to 200,000,000, what happens in the rush for the fall market? What happened in the rush for the fall market when the United States market was not open but the Liverpool market, the distant market, was open? On account of the quick sale of the bulk of the crop in the Northwest the market price of the wheat went below the normal and stayed there. This occurred in the year when the best wheat that ever was raised, and the largest percentage of good wheat that ever was raised, was harvested in the northwest. But change your market to Minneapolis and St. Paul, where for three months wheat has been coming in in steady streams from the more southern parts of the United States, seek that market at a time when the Dakotas, north and south, and Wisconsin come in, and bring in your 150,000,000 or 200,000,000 bushels of wheat from Canada's Northwest and I ask you, will not that have the effect of reducing the price of wheat during the time of that rush? And it is during the time of that rush that the man who raises the grain is getting the grain out of his hands and delivering it over to the man who buys and speculates in grain. My opinion is that free wheat and the rush to the market from the Northwest into Minneapolis and St. Paul will depress the price of wheat during the time of the rush market and the farmer will get less for his wheat than he otherwise would. The man who will reap the benefit is the buyer, the storer, the speculator who buys it at its lowest, keeps it and sells it when it goes highest. So, you can-

not carry to every farmer of the West the pleasing thought that he is going to get an increased price for the wheat he has raised, because he cannot keep the wheat on his farm and regulate it to the uniform outflow that will give him any chance to keep the market from breaking. So, as I say, the boon will not be to the farmer who raises the wheat, but, if there is any advantage, it will go to the buyer, the speculator, the storer of wheat in the later of the many stages of the grain on its way to the final market.

But in considering the question of free wheat you have to have in mind other interests than those of the man who raises the wheat; you cannot give free wheat without disturbing other interests as well. You either believe or you do not believe that if free wheat were given, the bulk of the wheat in the West would go over to the American side; it would be of no benefit to open up the United States market unless it did go to the other side. The hon. member for Halifax (Mr. Maclean) is the greatest philosopher I have ever known. He first declared that if the wheat did not go to the United States, no harm would be done; he then declared that if it did go to the United States, no harm would be done, and he capped the whole thing by saying that it did not make any difference to him which way it went.

Mr. A. K. MACLEAN: No, no.

Mr. FOSTER: Then I will leave out the personal part of it and say that his assertion was that it did not particularly matter whether the wheat went one way or the other. I submit that that is not a statesmanlike characterization of the position. Is my hon. friend absolutely certain that the farmer who raises the grain will get the advantage of a single additional cent in the price of his product if free wheat is given?

Mr. A. K. MACLEAN: I was arguing not about the price, but about a market for the increasing production; that is the most interesting side of the question.

Mr. FOSTER: I will come to that later. The question as to whether or not under free wheat the farmer who raises the wheat will get higher prices is an important one. Is my hon. friend certain that he will? To a large extent it is a matter of opinion, a matter of reasoning. Neither the hon. member for Halifax nor my right hon. friend is able to say that the farmer will actually get a better price for his wheat. It is arguable on the other side that under the circumstances which I have mentioned he will get a lower price for his wheat.

Mr. A. K. MACLEAN: My hon. friend will not deny that the British market will still be open to the Canadian wheat exporter if he does not get a better price.

Mr. FOSTER: If the wheat goes to the United States it is certain that a great many important interests in our country will be affected—interests for the protection and guidance of which we have spent immense sums of money. My right hon. friend, when he initiated his transcontinental railway policy, declared that that policy was justified, no matter what the expense, because what we wanted was to get an outlet for the products of the West. Later, in Montreal, he declared that he would never rest until every bushel of wheat raised in the West went out via the port of Montreal. Hundreds of millions of dollars have been spent on great transport lines in the West in order to carry our wheat over our own lines to our own ports, en route to the European markets, in whatever part of the continent that may be. If free wheat results in the grain being carried from the West down to Minneapolis, St. Paul and Duluth, to that extent it takes away from the freightage upon our roads, upon which we have spent millions of money in order to carry out the products of our country. That is incidental, but such conditions would militate against the transportation interests of our country in so far as our great transcontinental lines are concerned. The adoption of free wheat would also run up against every other interest which is concerned in the handling and transporting of wheat—elevators, shipping marine, sea ports and Canadian ocean marine.

My right hon. friend does not feel absolutely certain, nor can he, that the Canadian miller, if free wheat is given and the wheat goes to the United States, will be able to carry on and extend his milling operations—for their extension is quite as important as their being successfully carried on. He is not able to say that the Canadian miller will be able to do this, but he thinks that he ought to. He believes that he will, but very careful thought must be given to the matter before you introduce such a change in your fiscal policy as will place so great an industry as the milling industry of this country in a position of peril.

A thought which has occurred to me just now is, I believe, one that is worthy of consideration. What is the whole trend of our commercial advancement and the upbuilding of our nationality? It is not the old-time idea of taking out the raw material which is of less value and disposing of it in a foreign market. The whole trend of our policy from 1878 up to the present time has been that we should throw all possible influences around what will conduce to the greatest amount of handling of the raw products that we raise in our own country. In so far as you encourage the idea that the raw wheat should be run off at a nearby market at an advantage on present prices, to that extent you strengthen the policy of taking one of the finest and most prolific of the products of this country out of Canada in its raw state and of taking with it the by-products which ought to find their place in our own country. Is it not a fact that if the milling power of the great West could be used to the full extent of its present capacity, it would almost double the present market which is given to western wheat by the millers? If the milling industry is an industry which takes the raw product, divides it, separates it into portions and gives it for food and feed and for various other additions and helps to the other productions of the country, is it not the wisest thing for us to have all the wheat we can, milled in our own country and use and export the product rather than run it out of the country as raw material?

Mr. A. K. MACLEAN: Would the hon. gentleman tell us where Canada would sell this additional product of the mill?

Mr. FOSTER: I will come to that later. So far as mixed farming in the old and in the new provinces is concerned, I do not know whether I am right or not, but I can see some features in the situation of the last two years in the western and eastern provinces which, to my mind, are due to certain causes. This depression has been less felt in the eastern than in the western provinces. Why? Because in the eastern provinces the home market has been more dense and more valuable; because in the eastern market there has been less speculation and consequently less waste and extravagance. You do not hear very much talk about depression from the farmers of the province of Ontario. Why? Because their products are varied; the salvation of the eastern provinces in these hard times has been in the varied nature of their products.

If there is not a high value for their barley, they use it in the production of stock and make up for it in that way.

They have various products which they can sell in the home market; and it is that variety of production and the greater density of the home market, with the comparative absence of speculation, that differentiates the situation in the East from the situation in the West. How are you going to get back to a proper readjustment in the West? You will get back to it in proportion as you introduce and strengthen those conditions; and not by legislation to any very great extent, but by a reformation and a readjustment amongst the people themselves, you will cure the causes that have led to the present condition of things. Now, Sir, if it be true that the salvation of the West must be dependent on its going more and more into mixed farming, if you obliterate milling or weaken the milling industry of the Northwest, how do you act upon the greatest factor of mixed farming in the Northwest, and the feed that is absolutely necessary for raising the varied animal products that you should have in the West? So it seems to me that a policy which would militate in favour of drawing the raw material out of the country rather than manufacturing it to the greatest possible extent in the country itself, would not be in the best interests of the Northwest itself.

Mr. A. K. MACLEAN: If the United States put wheat on the free list themselves we would be in the same danger then?

Mr. FOSTER: Exactly, and if a man burns down my house I am not fool enough to say I wish I had burned that down myself so that he could not do it. I look to our great West, we all look to it, to be the great centre of our country for many, many years to come. Everything which tends to make easier the growth and export of grain for itself, as an exclusive industry, on the farm lands of the West, tends to impoverish and rob the virtue from the soil which is to compete in after years and after ages with the countries of the world in the products which come from that soil. Therefore I think that it looks very much like a nature cure which has taken place. There has been a rush to the sole raising of wheat. There is now a marked diversion towards mixed farming. The circumstances of the last year and of to-day will give an impetus to the mixed farming development of the West by the

very fact that the price of grain is approaching a point where it will be more profitable for a man in the West to put at least a certain amount of his grain growing capacity into mixed farming, to feed stock and raise dairy produce.

Mr. NEELY: Would the minister tell us what we will do with the stock? Will we export it or will we put on an export duty? Our beef is exported now, as the minister knows.

Mr. FOSTER: I would not like to credit my hon. friend with not knowing what to do with his stock when he got it ready for market. I think he would dispose of it very quickly. It is far better that instead, for instance, of selling off his sucking pigs and his young calves that he should put them into the shape of the weightiest pork and the best beef and the best stockers before he sells them. That is all I am asking and that, I think, is good policy for this country. My hon. friend calls to my mind one of his arguments. He was arguing the other day that 25,000,000 bushels of oats went out of this country since the Underwood tariff came in force and he said that every bushel of oats had to pay six cents customs duty and that therefore on that 25,000,000 bushels just $1,500,000 less was received by the producer of the oats than if that duty of six cents had not been on. That is an easy calculation, easily done with pencil and paper, but does my hon. friend's practical sense follow that argument upon paper? If so I will put another phase of it to him. The former duty on oats, the season before last was fifteen cents per bushel. This year it is but six cents. Therefore the seller of that 25,000,000 bushels of oats by the reasoning of my hon. friend is just $2,500,000 better off than he would have been last year. The same kind of reasoning applies to everything that has been put on the free list or on the reduced list by the Underwood tariff. If you take wheat on which the duty is now only ten cents against twenty-five cents, if you take cattle, beef, everything, sum it up and you can just add to it the number of cents per pound or per bushel of duty that has been taken off by the Underwood tariff, and according to the hon. member, a perfect flood of money has rushed into that great Northwest and is now in the hands of the farmers. But my hon. friend says that you did not do that, that was done by the Underwood tariff. I am not denying it, but is it therefore of any less advantage to the farmer of the West and how is it that to-day the farmers in the West are poorer than they were last year and have less money to send down to the East for manufactured products when the 25,000,000 bushels of oats put $2,500,000 cash into the hands of the sellers and they also received innumerable millions on the stock and other products that have gone to the United States under the Underwood tariff? I do not like to say that I do not subscribe altogether to the remarks of my hon. friend from Humboldt, but I am bound to say to him that if his argument is right there are a great many things to be accounted for that he has not accounted for in his philosophy. My hon. friend from Halifax has asked: where will we get a market for our wheat.

Mr. A. K. MACLEAN: Oh no, I did not; the hon. gentleman was arguing that all the wheat which we grew should be ground into flour and I asked him to tell me where we would find a market for that flour.

Mr. FOSTER: I have not argued that all our grain must be ground into flour.

Mr. A. K. MACLEAN: You have made an elaborate argument.

Mr. FOSTER: I am arguing for a policy which will give an impulse in the direction of grinding in our country as much of our wheat into flour as possibly can be ground. I make the same argument with reference to every other natural product of our country. My hon. friend from Halifax (Mr. A. K. Maclean) asked as to where we could get a market for our wheat and for our flour. He declared that Great Britain consumed a certain amount, of which we supplied a fractional part at the present time, and he did not think there was any chance for an expansion of the market in Great Britain, particularly for flour. Afterwards, when he was trying to meet the argument that if the wheat went across the border there would be nothing left for our own railways to transport, he declared that he expected to see in the near future the products of grain in different kinds going out in ever-increasing quantities over our own transport system via the Hudson bay and the St. Lawrence, and through St. John and Halifax. I can pose the same question to him that he posed to the House in the early part of his speech: 'Where do

you expect to get a market? Now, the question of markets troubles people to a certain extent, and yet there is a vast undeveloped market that this country has at hand. Let me for a moment refer to a table that I have prepared. It shows the value of wheat imported into the great wheat-consuming countries—not producing countries—and the total volume of flour imported into flour-consuming countries. It totals up to this: These great market countries—deficit markets, so to call them—imported wheat last year to the value of $644,954,000, and of that amount Canada sent only $65,000,000 worth to fill that vast demand. Flour was imported into flour-consuming countries to the value of $82,171,000, and of that Canada sent only $16,161,000 worth. Taking wheat and flour together, there was a market of $727,000,000, of which Canada supplied $81,000,000 worth. There is, then, a vast market to which Canada can appeal with her good wheat and her good flour in competition with the world, and it is in competition with the world that she will have to sell her wheat and her flour whether at Minneapolis, Rotterdam, or Liverpool. There is also a vast unfilled market for farmers' products in this country, and for the products of our different industries as well. I think that the difficulty to-day is not to find markets for what Canada produces; and not that we do not get into the United States market, but is to be found in other directions. One thing is, I think, certain, and with that I propose to close my remarks: taking it by and large, the country which has a surplus of any product must seek its market in that country which has not a surplus of that product; and taking it by and large, it is not defensible that a country which has a surplus of 200,000,000 bushels of wheat should seek its natural or profitable market in a country that has a surplus of about the same quantity. It strikes me that it is something like this: Two farmers are travelling along the great road, each with an immense wagon load of wheat. One is Johnny Canuck and the other is Uncle Sam. Uncle Sam says: I have a large family of nearly one hundred millions of people; I have supplied them for the year with all the wheat and flour that they need, and now I am carrying on my truck to sell in the European market about two hundred million bushels of surplus for which there is no market in my own country. Johnny Canuck says: I have a family of about eight millions of people, and I have supplied them with all the wheat and flour they need for this year. I have a surplus of about 150,000,000 bushels which I have in my cart here and I am headed for the very same market that you are heading for, Uncle Sam, to sell my surplus product. Johnny Canuck thinks a moment and says: Why not you take this, Uncle Sam, then I can turn my steps and go home; buy my wheat from me? But Uncle Sam says: I have more than I want, and am looking for a purchaser myself. And so they haggle till a bright idea strikes Uncle Sam and he says: Very well, Johnny, I will take your wheat. I have quite a large family, and I will set some of them carrying your wheat down to the seaports; others shall mill some of it in their mills; I will set hundreds of thousands of people to work on that wheat of yours, all getting some profit out of it and adding to its value until at last it is sent to Liverpool and London, its ultimate market. But, Johnny, I cannot do that unless I get your grain at a price which will enable me to do it at profit to myself. That is, Uncle Sam will be the broker, the handler, the manager and the profit maker; he will act in that friendly way for Canada. But why should we not do that work ourselves? Then Uncle Sam says: In the back of my head I have another idea. We are great raisers of cattle, hogs, and sheep in my country. If I take your wheat I will manipulate it on its way to London so that it will make millions of pounds of the best feeding material for my stock, as well; and, Johnny, after I have done all that, and fattened my cattle and hogs for market whatever surplus I have will meet you in London and Liverpool when you go over there to sell your surplus products.

At six o'clock the House took recess.

The House resumed at eight o'clock.

Mr. MICHAEL CLARK (Red Deer). Mr. Speaker, the significant absence of any Government member at nearly five minutes past eight would almost seem to indicate that after the speech of the hon. Minister of Trade and Commerce (Mr. Foster) the Government was seriously contemplating resigning. Even now the only ministers to turn up are my good, genial friend the Minister of Finance (Mr. White), who is very attentive to his post, and my equally good friend (Mr. Rogers), who is very likely to leave us for a higher position across the Atlantic. The hon. Minister of Trade and Commerce has been living a good

deal of the last two and a half years at sea—

Some hon. MEMBERS: Oh, oh.

Mr. CLARK: I mean actually at sea. This afternoon he was still at sea metaphorically. I do not think that even the warmest of the hon. gentleman's admirers will consider that that very able gentleman did anything this afternoon to add to his great reputation as a debater and somewhat of an economist. His speech consisted in a few quips at my right hon. friend the leader of the Opposition (Sir Wilfrid Laurier), in which he is a past master, in his getting hopelessly fogged in figures concerning flour, and in the very moderate rehash of an argument extending to an hour and a half, an argument which took four hours previous to the reciprocity agreement of two and a half years ago, or the attempted reciprocity agreement. The minister himself said that there were two courses open to him; one was to discuss the speaker who had preceded him, and the other was to dwell upon the general financial situation and the general field of thought and discussion presented in the Budget. He chose the one of confining himself to a reply to my right hon. friend who preceded him. I shall, for one particular reason at any rate, take the opposite course. I propose to devote myself to what I think the people of the country are vastly more interested in than a duel between such veterans as crossed swords this afternoon. I shall devote myself to that which I believe the country is very much interested in and that is the general financial situation and the way that financial situation is dealt with in the Budget speech of my hon. friend the Minister of Finance. I ought also to say that my hon. friend the Minister of Trade and Commerce very courteously told me that he had a previous engagement at St. George's Society, and could not be here this evening. I shall all the more gladly only refer to his speech as it is necessary to do so in the general course of my remarks.

I want to follow the example which has been very general and congratulate my hon. friend the Minister of Finance upon the qualities which appear to me to have characterized the Budget speech which he delivered. It was a matter of very great regret that I could not listen to his speech; circumstances beyond my control took me into the West, but I read it with the utmost care and it appeared to be characterized by very great lucidity, very great candour, considerable inconsistency, and not more than the average of the fallacies that are sure to overtake any one who attempts to defend protection. There was another quality in the speech which was commented upon by my hon. friend the junior member for Halifax (Mr. Maclean). I take it that he formed his judgment as to that quality being present partly from the matter of the speech and partly from the manner of it. As I did not hear the speech I only got the impression from the matter. The quality to which I refer was the very great change from the previous speeches of the Minister of Finance in this House. The previous year when he was handling the condition of the country, as it was immediately bequeathed to him, good times, accompanied by surpluses and trade expansion, he spoke in tones which reached what I might venture to call a key of shrill falsetto. He was very well satisfied with the result of the last elections and with the condition of the country and that was the tone se spoke in. This year he was dealing with his own production and he struck a distinctly minor key better suited to the times.

I am glad the minister admitted, however, that we are having times of depression. I noticed that the admission has not been quite general on the other side of the House. No one has denied it but there has been a tendency on the part of hon. gentlemen on the other side of the House to seek for a depression in the ranks of their opponents. They have referred to our speeches as indicating some sort of pessimism on this side of the House. I do not know what is the actual state of mind of those by whom I am surrounded but I think it is not different from my own and I will say there is no pessimism on this side of the House which is in the slightest degree discreditable to us whether as good party men or good Canadians. There is no one on the other side of the House who has any more profound belief than I have in the greatness of the destiny of this country. There is no one on the other side of the House who is surer that his party is sailing in good water in this Budget debate than I am. Hon. gentlemen mistake us. We are not pessimistic about Canada. Our pessimism is about the present Government. I think that before I finish I shall be able to reveal the grounds of the pessimism and show that it is well founded.

The Minister of Trade and Commerce had a somewhat light and easy way of dealing with the depression of the country. He said

this thing is just like a man taking a sleep and he will wake up again all right—meaning Canada. If he had said that the Government was asleep I should have been in agreement with him. It is not Canada that is asleep. The Minister of Trade and Commerce is rather drowsy and he has not got over the tropical seas and climes through which he has been sailing and the whole Government is asleep. Our pessimism is not on the ground of Canada but on the ground of the Government. The Minister of Finance, conscious of his position, differing as it does from that of former years, perfectly conscious and perfectly candid about it, takes refuge in the proposed universality of the depression. He says it is a cycle of bad trade and that we are in the cycle. I do not admit his contention. I do not think he can establish it. I shall take it as regards the United States. Even in the short time that the Wilson-Underwood tariff has been in operation it has produced a marvellous effect upon the condition of commerce in the United States, and has given an enormous impetus to the trade of that country. The other day 2,000,000 pounds of wool arrived in Boston harbour from our colony of Australia, a record for the port. What is happening to that wool? It is going into the factories of the United States; and I read in the Daily Chronicle of London that, as a result of that and other like imports, nearly all the factories of the United States are working overtime. The very moderate reduction of the tariff which has taken place in that country has given an enormous impetus to commerce there. At the very time when our trade is shrinking, if we judge by our trade returns, the trade of the United States is expanding. I do not admit, as regards our neighbouring country, the universality which the minister claims for this condition of depression, much less do I admit it with regard to the United Kingdom. In Great Britain it is notorious that for the last three years they have been passing through times of phenomenal prosperity. The pauperism last January was the lowest in Great Britain that has ever been recorded either in the aggregate of paupers or in the pauperism per thousand. These are facts and one could multiply them indefinitely to show that this condition that the minister admits is not world-wide, and does not apply to the two countries with which we in Canada are most intimately connected, which we most intimately resemble and towards the condition of which whether as to adversity or as to prosperity, we will most nearly approximate. I want to urge that our Government are in a very large measure responsible for the existing condition. They are face to face with that responsibility and they will have to face it before the people of this country.

In a recent debate my right hon. friend the Prime Minister referred to the legacy in regard to railroads that had come down from the previous Administration. He charged upon the previous Government the difficulties in regard to railroads with which this Administration is saddled. It is not a very noble method, when a man gets into a scrape, to blame the other fellow; but, if it is not very noble, it is very ancient; it originated in the garden of Eden, so that it is very human as well as very ancient. I do not want to minimize any force there is in that argument or in any fair argument of an opponent. I think I used sentences myself, during the course of this session, which would indicate that we had a considerable load of railroads for the size of this country and for the number of people in the country. But I think it is a fair reply to that argument of my right hon. friend; it is a fair rejoinder in the face of that argument to say that, if there was some legacy of railroads which was not as good as it might have been, that legacy was accompanied by a condition of tremendous prosperity in the country and by a surplus of some $50,000,000 or $60,000,000 in the treasury. There is nothing in the railroads of Canada to frighten the people of Canada, if the policy of the Government of Canada is right. Take the condition of that western country and our railroads. As my right hon. friend the leader of the Opposition pointed out in his speech this afternoon, we have tilled some six per cent of the possible arable land of Canada, and the Canadian Pacific railway has built up upon that fractional tillage a prosperity and a greatness almost beyond the dreams of human avarice. If the policy of the Government is wisely directed to an increase of the production of the wealth which is possible in western Canada, is there any Canadian so poor spirited that he sees any difficulty in making the other two railroads of Canada as prosperous? This is not the only thing that the previous Government bequeathed; they bequeathed to the country these railroads; they bequeathed to the country the prosperity and the enormous surplus to which I have referred. If they had not been defeated by the party opposite and by argu-

ments, which even Ontario will one day regret, which she is regretting now, we would have carried out a policy in this country which would have gone to maintain fully the prosperity which characterized the fifteen years of Liberal rule. I charge it upon this Government that the defeat of reciprocity is largely responsible for the condition in which the country is found to-day. Just as the lowering of the tariff against Great Britain was followed by an enormous increase of our international commerce, by great land settlement, by increase of our wealth and of our prosperity, so a farther widening of our markets would have brought about a similar result.

I want to say farther that the hard times, which have been prevented by the extension of our markets, have been tremendously aggravated by the extravagance of the present Government. In my judgment, the expenditure of this country in the two and one-half years that this Government has been in power has gone up in a way that is reprehensible, indefensible and unnecessary. It has gone up in that way against the most specific and fair warnings that ever were addressed by an opponent to a gentleman in the position of my hon. friend the Minister of Finance. My hon. friend, the junior member for Halifax (Mr. Maclean), in his first Budget criticism, warned my hon. friend of his duty in this matter. The Minister of Finance was new to political life, he was new to the duties of his office and the junior member for Halifax warned him that he was surrounded by colleagues who would characterize his Government as an extravagant Government, and in spite of that, the Minister of Finance neglected his first duty and invited extravagance. His very first duty towards the people of this country was to keep a tight watch upon the treasury. He is the custodian of the national moneys. There are what are called the spending departments of the Government, but it is my hon. friend's duty in his office to be the watch dog of the treasury and to hold those spending departments off except for what is absolutely necessary. That is a very serious charge to bring against my hon. friend. I have charged him with inviting extravagance, or, if I have not, I charge him with it now, and I am going to prove it in his own words. I listened with great interest, as I always do when he speaks, to his Budget speech of last session, at the close of which he used these words:

> I do not believe—

This was in spite of the warnings of my hon. friend.

> —in a Government curtailing expenditure simply because it appears that on account of financial depression there might be a limitation of trade.

There is a specific declaration of policy on the part of my hon. friend. What does it immediately commit him to? If trade is limited—and twelve months ago he seemed to foresee a limitation of our trade —it meant a limitation of revenue, for our revenue is collected under a tariff, and its extent depends on the foreign trade of the country. Limitation of trade meant diminished revenue, and there has been only one course open to the minister, and that was to borrow money, and he has indicated in this Budget his intention to continue that policy. I think myself that is most unsound finance, and I should be wanting in my duty both to my hon. friend and to the country if I did not state that opinion and the grounds upon which I base it.

I think it is most unsound finance to extend our borrowings in a condition such as that of Canada at the present moment. And that opinion seems to be shared by those who lend money in the old country; because from the hon. gentleman's experience in that country I rather think they did not quite smile upon his most recent efforts in the direction of borrowing. My hon. friend justifies borrowing by a very old argument. He says we are using the money that we borrow to effect improvements, part of the benefit of which posterity will get, and therefore it is right that we should leave posterity to pay part of the cost. Well, the investors in the old country did not seem to have the unlimited belief in my hon. friend's posterity that he himself has. Nor do I think there is any soundness in his argument. I have never read of a posterity in the past that did not have enough trouble with its own finances, its own expenditures and its own times. I may not have as strong an imagination as the hon. minister's, but certainly I cannot imagine a posterity in a world constituted as this is that will not have trouble enough of its own. I think this is unsound finance and based on unsound reasoning. In this speech the hon. gentleman went farther and said:

> We have a population to-day of eight millions, and it will soon be ten millions, fifteen millions, twenty-five millions.

Let me say to my hon. friend that the realm of figures is a very, very bad realm indeed, in which to introduce too much imagination. When the Minister of

Finance, introducing too much imagination into the realm of figures, thinks of this country as having a population of twenty-five millions, in an administration like his he can always find a Minister of Militia who will immediately begin to spend upon the twenty-five million basis. And that is exactly what happened to my hon. friend. He stood at the treasury box of the country, of which he ought to be the guardian and watchdog, and he practically said: 'Come along; dip in.' And the Minister of Militia (Mr. Hughes) dipped in. My hon. friend the Minister of Public Works (Mr. Rogers) rejoices in his ability to spend money and in his department, as a spending department. I would like my hon. friend the Minister of Finance to consult the Minister of Trade and Commerce (Mr. Foster). In spite of the speech he made this afternoon, there are some good things about the Minister of Trade and Commerce, and I am sure if the Minister of Finance were to consult him about some of the things I am saying he would say I was preaching sound doctrine. I know he would, for when he went to South Lanark recently, he told the people that the cure for bad times was to be frugal, careful, and economical. I have no objection to the Minister of Trade and Commerce delivering advice like that in South Lanark; but he should know that advice, like charity, should begin at home, and I wish he would give that advice to the Finance Minister.

I wish to impress upon the Finance Minister that the farther he goes on this course the more he will find out that a nation, no more than a man, can spend and borrow and tax itself into prosperity. It has never been done in the world. I have referred before to my hon. friend's illustration of the Prodigal Son; and he knows that the Prodigal Son was not a success along that line. He spent himself into adversity, and I have known many people do the same. But no man or government can spend themselves into prosperity; it is contrary to reason and common sense. Borrowing as a policy, cannot be too strongly condemned, especially in a country like ours, in the case of a federal government. For the federal government is imitated by the provincial governments, and these by the municipalities, and the result is that we get into the position in which we are in Canada today a position of hard times in a country inhabited by a people who are capable of the greatest things but have the handicap at the present time of being the most indebted people in the world per capita, taking all their debts, municipal, provincial and federal. I think that statement is capable of proof past all possible doubt.

I would like to follow this a little farther in order to impress it upon the minister. I know that we never talk economy in this country; the extravagance of the present day, I have no doubt, will make my words sound very old-fashioned. But it does not trouble me to hold and to proclaim an unpopular opinion. I had the pleasure to follow the greatest man I am likely to look upon in this world when, twenty-eight years ago, he went down to defeat in an effort to give Home Rule to Ireland. It has taken twenty-eight years to give Home Rule to Ireland, but I do not think that even Sir Edward Carson will be able to prevent it much longer. It may take me even longer to succeed with free trade, but I know it will not take me nearly so long to succeed with my teachings with regard to economy, for when a man or Government spends too much, Providence steps in and sees to it that they do not get what they want to spend, and though they may run through one fortune, they do not readily get another. I desire to cite an article in the Statist of February last, which, I think, any one can read with great profit and which will explain exactly what we borrowed last year, what happened to our borrowings, and what the effect was upon the commerce of the world and upon Canada as a nation. In the debate on the address I referred to the fact—and the minister was good enough to agree with me—that when we borrow we do not borrow money but credit, and everything we borrow comes into the country in the shape of commodities. Now what actually happened with regard to the borrowings of Canada in 1913, according to this article in the Statist? We borrowed credit and immediately transferred that credit in London to the United States by buying goods from the United States with that credit. The United States did not immediately buy from Great Britain, but with the credit which we had transferred to them, the United States proceeded to buy coffee, rubber and other produce from Brazil, importing last year three times as much from Brazil as they sold to that country; they proceeded to buy tea, jute and other products from India, importing four times as much from India as they exported to India; they proceeded to buy silk and other produce from Japan, their imports from Japan being very much in excess of their exports to Japan.

I am often called a theorist, but this is not theorizing; these are the actual facts concerning the trade of these countries during the last year. Our original credit borrowed in London and transferred in this way was finally discharged by these three nations, Brazil, Japan and India, taking last year unprecedented quantities of wool, cotton and machinery from the old country —and so the circuit was made. I want the minister to think of that for a moment. I have no reason to assume that he is not cognizant of the facts, but I want this House to think of them for a moment. What has happened ? Our borrowings last year—this ought to be extremely interesting to those who preach a national policy for the building of home industry—our borrowings last year promoted to an enormous extent the industries of the United States, to an enormous extent the industries of Britain, to an enormous extent the industries of Japan, of Brazil and of India, and Canada was left with a debt and has the interest to pay on it. That is all that came to Canada for these borrowings last year; no promotion of the industry of Canada was made in the exchanges as between these countries. I think that these simple economic truths—and they are truths—ought to produce something to recommend to the minister my opinion that borrowing is an unsound line of policy.

I have been looking up some of the masters for the benefit of my hon. friend, if he would care to hear about them. I have been looking up some of the things that Mr. Gladstone said in a speech which I very well remember being delivered in Edinburgh in the year 1879, in which he laid down certain principles of finance. In that speech dealing with finance, and laying down these principles, he made the claim that the principles he was laying down were those that had built up the financial greatness of England in the beginning of its career; that they were the principles laid down alike by the Liberal and the Tory parties, and he claimed to have learned them from Sir Robert Peel. In laying down these principles he referred to Sir Robert Peel coming into power, not at a time of prosperity, as my hon. friend did, but in 1842, when Britain was in a state of adversity for which I think Canada has no parallel in her history. That was four years before protection was done away with in Britain. When Sir Robert Peel came into power in 1842, he found a deficit. I remember as if it were yesterday Mr. Gladstone on one occasion standing at his place at the table of the House and saying: Shall I meet this condition by the miserable expedient of making provision by loans from year to year? Founding himself upon the high authority of Sir Robert Peel, Mr. Gladstone laid down the principle that each year should as far as possible provide by taxation for the expenditure of that year. That was one of his principles of finance. He went on further to say that he himself believed—and this was another principle of finance—that the Chancellor of the Exchequer, the Minister of Finance, ought to aim at a surplus, for this specific reason: not only that it was necessary to avoid borrowing, but that an honest financier should always be endeavouring to wipe out the national debt. Mr. Gladstone laid it down as a sound principle of finance that a surplus should be aimed at as the main instrument for the steady reduction of the public debt of the country.

My hon. friend in answering the charges of extravagance which were brought against him last year in the Budget debate by the hon. member for Carleton (Mr. Carvell) and the hon. member for Halifax (Mr. Maclean) said: the charge is too general; why do you not particularize? I think we have come to a time when particulars are being given to the minister. My hon. friend the hon. member for North Oxford (Mr. Nesbitt) did something in this line yesterday and I think I can particularize from an authority to whom even the Finance Minister would give considerable attention; I mean his chief in the Cabinet. I do not know how far it is within the recollection of hon. gentlemen that the right hon. leader of this Government said in the debate upon the naval resolution of five years ago that in his opinion at least half of the money spent upon the militia at that time might be diverted to the naval defence of the empire. If my hon. friend wants particulars he can take half the military expenditure of that time and put on several millions that have been spent since his Government came into power and he will get a good round sum in the way of detail with which to begin to practise economy in the handling of the moneys of the people of this country. He could, again, go to my hon. friend the Minister of Trade and Commerce for advice on this subject. A short time ago the hon. Minister of Trade and Commerce said that a great deal of money was being wasted on commissions in this country—commissions which were wasting a

good deal of ink and paper in the printing of reports which were laid upon shelves and never read. It is too late to save the $60,000 to $100,000 that has been spent on probably the most useless commission that ever sat in this country, the National Transcontinental Commission; but these are some of the particulars that I would like to call to the attention of the minister. Let me point out that it is not part of our duty to supply the minister with these particulars; he is the watchdog of the treasury and ought to find them out for himself. He knows what is going on within the Government; it is his duty to know these particulars. I want on that point to finish my quotation from Mr. Gladstone's principles of finance by quoting to the minister—I am afraid it will fall on deaf ears in this country, almost in the case of any government, but I will quote nevertheless —the words in which Mr. Gladstone laid down what he called the first principle of finance:

> The first of them is, that the Chancellor of the Exchequer shall boldly uphold economy in detail; and it is the mark, gentlemen, of, I was going to say a chicken-hearted Chancellor of the Exchequer when he shrinks from upholding economy in detail. He is ridiculed no doubt, for what is called saving candle-ends or cheese-parings. No chancellor of the exchequer is worth his salt who is not ready to save what are meant by candle-ends and cheese-parings in the cause of his country. No chancellor of the exchequer is worth his salt who makes his own popularity either his first consideration or any consideration at all, in administering the public purse.

My hon. friend is so agreeable a gentleman and I am so fond of him that I hate to say what I am going to say now, but unless he improves his ways we will have to say one of these days that as the guardian of the public treasury he is not worth his salt—and to say that will hurt me more than it will hurt him.

This has been a rather dry lecture, I am afraid, but sometimes it is necessary to give dry lectures; at any rate the minister will not charge me with bringing too much imagination into the realms of finance.

When we turn to the trade of the country I think there is ground for anxiety. I want to say that the last thing I think any patriotic man should do is to exaggerate any financial depression we have, and I do not think that that is the duty of an opposition. But equally it is wrong to hide evident truths from the public view and especially from the view of those who are responsible for the Government of this country. Taking the twelve months, the minister is just able to show an increase of our trade, but if he had taken the last six months he would have had a report that the trade of the country is declining. That is the fact as to the external trade of Canada at the present moment; there is not the expansion and the buoyancy that there has been in our trade for sixteen or seventeen years past. I very much doubt if the conditions of our trade are such as to give the optimistic outlook which the minister endeavours to maintain. Our imports have declined; that, from my point of view, is not wholly bad; it is not bad so far as it indicates a decline in our borrowings. In so far as it indicates fewer people coming into our country, I think, it is bad. I notice that my hon friend the Minister of the Interior, speaking in Montreal the other day, admitted that during this year we may look for a falling off of fifty per cent in our immigrants. It is the same in regard to immigrants as it is in regard to building of railroads, if we do not know what to do with immigrants when they come I agree with the minister that they should not be brought; but it is a melancholy confession that in a country with two people to a square mile you cannot so frame a policy that these people can make a living on the finest area of land ever cultivated in this or any other country. Our exports during recent months have been declining, and this is wholly bad because it means production has been reduced to a minimum, and the country is living from hand to mouth.

There is another aspect of the trade of the country of which I thought the minister would have had more to say because trade matters have been very much in dispute in this country in recent years and we have arrived at a point when, having regard to matters which were forward in the last election and which have been occupying the minds of the people and of Parliament ever since, we as an Opposition have a right to ask: How are the alternatives of the Government coming along in the way of providing for an external trade for this country? I think we have a right to ask that and in asking it I am founding myself upon the example of my hon. friends when they were in opposition. I looked up the other day a book adorned with the features of the present Prime Minister and called 'Facts for the People,' and I read in that this statement of fact for the people: The Laurier Government has not opened to Canada a single foreign market. Now, that is a shady kind

of a fact to begin with, because the moment the Laurier Government came into power they introduced the British preference which gave us a market, resisted by our friends at the time but lauded high now. Immediately, as the result of the British preference we got a tremendous hold on the British market in which we have been doing an ever-increasing business. But in addition to that the Government went out of power, as we have shown again and again, endeavouring to provide another market and it does not lie in the mouths of these gentlemen to say that the Laurier Government has not provided us with a single market. But what have they done in regard to markets? Well, of course, we heard a great deal this afternoon about the home market as we have been hearing throughout the whole of this debate. Anybody would think that the party opposite created the home market. Every country has its home market for the staple lines of its produce. In every country, in spite of the Government, whether the Government be Tory or Liberal, as soon as people begin to trade they trade in the home market. It is the only market they have. I wish my friends opposite would study the history of trade in this connection. An interesting theory was propounded by the hon. member for Yukon (Mr. A. Thompson) yesterday. My hon. friend is coming along very nicely in his economic studies. He was one of a number of members who made special reference to myself and he formulated a theory of trade that I could not quite endorse, but which went a considerable distance in the direction of the truth. He said: It appears that every country is free trade to begin with and then becomes protectionist and then gets back to free trade again. I think if we should go back right to the origin of trade we would find that to begin with every country is more or less protectionist; they are at any rate in regard to the home market. When there was nobody but the Indian in this country and he went out each morning and caught a little fish or killed a little venison and came home to the tepee and shared it with the squaw and the papooses, you had the ideal of protection theory realized, you had the home market for home consumption—you had Canada for the Canadians. So I think my hon. friend in his evolutionary theory did not go quite far enough back. In regard to free trade there is no doubt that his theory is quite correct. I am very anxious to believe it, and it was consolatory to myself to know it was coming. I regret that he should think Canada is only qualified as yet to be in the backwoods stage of her development and I am sure that he and those by whom he is surrounded will never be angry with me because I want to hurry up their evolution.

Do our friends really believe all they have been saying about the home market? Does the Minister of Trade and Commerce himself believe that the home market is of the tremendous importance that he seemed to indicate this afternoon? He recommends as a cure for western conditions the building up of a home market in western Canada. That was the first portion of the cure that this Government proposed for present conditions, that is their first alternative. They are continually mentioning the policy on which we went down to defeat two and one-half years ago. I wish my friends would reflect that there never was a people who had to be so patient with advice as the representatives of the West and those whom they represent have had to be during this Budget debate. There is apparently not a man in Ontario who could not run the affairs of the West with the utmost ease if we would only put those affairs right into his individual hands. If we were dependent upon the home market in western Canada, as these gentlemen advise, I want to ask the Government what would happen to their elevator policy. Mixed farming is the cure, the home market is the cure for the West. In other words, we are only to grow enough wheat for western consumption. Then I charge it upon this Government that they are the most foolish people on the face of this earth, because they are spending an enormous amount of money on elevators and they are threatening to spend $150,000,000 on the Hudson Bay railroad, all of which is based upon the presumption that Canada is going to have an enormous outside trade in wheat. So that one part of these gentlemens' argument is thoroughly destructive of the other part. I want to bring to the attention of our hon. friends who talk about the home market in the West as a cure for our conditions. The elevators and the railways under those circumstances can only become monuments of the folly of the present Government. I want to tell our hon. friends something about the home market as it exists in the West to-day. Day before yesterday, in the last Albertan that came to hand from Calgary, I notice a statement that 4,000 hogs had been shipped from Calgary to the Seattle market in one day. That has been going on ever since the Wilson-Underwood tariff came into operation. If that tariff had not given us a relief for those

hogs, will our friends who preach the home market tell us that we should never have produced those hogs, that we should have waited until we had built up a home market to dispose of them? The thing is absurd on the face of it. We dealt a couple of years ago with a grain blockade. Without the Underwood tariff we would have had a hog blockade. When I was at home ten days ago my people on my own farm were collecting a large number of eggs every day, and had received a letter from the merchant with whom they deal in Calgary dated the previous week saying: Send no more eggs at present, and our neighbours who deal with the same merchant had got the same message. So that I was up against an egg blockade. These hon. gentlemen who talk to me about a home market would suggest, I suppose that I should play battledore and shuttlecock with my eggs one week and send them to Calgary the next week. I wish people would be reasonable in talking. To speak of the home market alone as of any use in a country containing 300,000,000 acres of arable land is to mock the farmer, to express distrust in Canada and its future, and to expose one's self to the ridicule of all thoughtful men. How much of a home market do hon. gentlemen opposite recommend for any province in this country? Let us see how much there is in that argument, and how it conflicts with their other arguments. We have 400,000 people in the province of Alberta, half of whom are in the towns and cities. Hon. members have expressed an opinion thoroughly in agreement with my own, that there are too many already in the cities and towns, but what does the home market theory really mean? It amounts to more cities and towns. That is one of the evils from which we are suffering, and the cure of hon. gentlemen opposite is to build more! Those are the economists who talk about the home market. I will give them facts from my own province in regard to the home market. The people of Calgary, according to the greatest beef men in the West—the men who buy and sell beef wholesale—are not able under this Government to eat beef in that town. They are eating custards instead, and then they cannot get through all the eggs we are producing. If they have stopped eating beef and eat only half the eggs produced, how would hon. gentlemen opposite, in the shoes of the Alberta farmer, like to have those preachments about the home market thrown at them?

Mr. BURNHAM: Is it not true that the ideal condition of trade of this or any other country is a perfect balance between all avenues of distribution?

Mr. CLARK: I am not a millenium producer. When we have a perfect balance, we will all be angels and we will not eat either eggs or beef. What as to the other alternative of which hon. gentlemen opposite spoke so much about two and a half years ago, but of which we do not hear so much to-day? I have here some words which the present Minister of Trade and Commerce used in a speech he delivered on the subject of reciprocity in this House two or three years ago. He said:

9 p.m.

> What are the distinctive features of this treaty and how far do they conform to the conditions of reciprocity? Suppose I am a maker of jack-knives of a certain quality and my hon. friend opposite is a maker of jack-knives of the same quality. I could send over to him and buy a dozen jack-knives and he could send over to me and buy a dozen jack-knives, and this might be called trade, but there would be reciprocity about it.

Of course all the gentlemen opposite who were in the House at that time cheered him to the echo. No possibility of reciprocity between the United States and Canada because it would be only an exchange of jack-knives! And then the minister went on to proclaim his alternative:

> Two countries that show ideal conditions of reciprocity in trade would be the West India islands and Canada.

That was a very cleverly stated alternative policy on the part of the Minister of Trade and Commerce. In the same speech, using those powers of ridicule which, after all, do not carry a man very far, he gave a wonderful description of how two old fellows went down to Washington—estimable gentlemen but in no way very able—and got closeted with the Government authorities there, and of how they cut the telephone off and drew up the reciprocity agreement; and the minister showed how futile it would all be. But since that time, following out his idea of an alternative, he has been visited in Ottawa by no less than fourteen old or young gentlemen from the West Indies, accompanied by their wives. I do not know whether the telephone was cut off in this case but a treaty was made with the West Indies, and we wasted considerable time last session in the discussion of that treaty and other matters—that is,

the Government and their supporters wasted time by presenting it to us, and they had to introduce the closure to finish up the work of the session. Well now, what about that alternative, the treaty with the West Indies, that ideal place for trade? My hon. friend from Carleton (Mr. Carvell) put a question on the Order Paper the other day asking for the figures of our trade with the West Indies for the last six months of 1912—prior to this wonderful treaty—and for the last six months of 1913, during which the treaty was in operation. The figures showed that where conditions were ideal for trade, and where a treaty had been made by those people who knew so much better how trade should be done than we did, our trade decreased with the West Indies by $600,000. That is the way they have been increasing the trade of the country. During the same period the people of this country have increased their trade not by tens but by hundreds of thousands of dollars with the United States, where we could only exchange jack-knives. Of course, we were told there would be danger to the empire in that trade. The real danger to the empire is from people who base the permanence of the imperial connection on a wrong foundation, and they are the worst friends of the empire. If trade with the United States means annexation, we are annexed now. The condition of our people does not brook any longer this foolish talk. The people know now that it was foolish talk. Our friends opposite are great admirers of Britain and everything British. How did Britain regard the Wilson-Underwood tariff? In London, within a few weeks of that tariff coming into operation, there was a meeting of the shareholders of a sugar company with large interests in the West Indies. The shareholders were told by the chairman that the company was going to do ever so much better trade in future because they had now free entry to the markets of the United States for their sugar from the West Indies. And yet gentlemen opposite, who admire everything British, come here and weave the most ingenious and elaborate arguments to show the folly of trading with the United States, and the danger to the empire that comes from such trade. How would a business firm act in regard to this matter? I venture to think our individual citizens in Canada are as sensible as the individual citizens of the old country, and that, taking every legitimate advantage of the Wilson-Underwood tariff, they are forcing their business in the United States. But we have got a Government in power—and that is what is the matter with this Government—who are not up to the average of the individual citizen of this country in commercial intelligence.

Now faced with these conditions, faced with this condition of trade which barely shows an increase and faced with this commercial depression, what does the Government do in its Budget? It is notable that in the tariff changes which are made the minister refuses free wheat, (does his best by that to limit our export) puts a large line of duties on iron and steel (and does his best to limit our imports) therefore showing that he is a thorough believer in the home market argument although I must do him the credit of saying that he does not use it quite as much as others do.

I want to dwell upon the tariff changes and the arguments of the Minister of Finance for a few minutes, endorsed as they were by the hon. Minister of Trade and Commerce. I was rather surprised to find that the somewhat extensive tariff changes were made. Free wheat, of course, my hon. friend was bound to deal with but the other tariff changes were rather a surprise to me for the reason that in the debate on the address my hon. friend had said that to alter the tariff in times like these could have no effect but to dislocate the industries of the country. He said that in the debate on the Address about three months ago, and I was therefore very much surprised when I saw that he had announced tariff changes. As to the dislocation of the industries of the country, with the unemployed that are flooding our towns, with factories closing down and the exodus from our western farms, I think there is considerable dislocation already. It is not causing dislocation of industries that the Government want to look to but the prevention of it; there is already too much dislocation.

Of course, I do not quite agree with him that this is not the time to change the tariff because if we are not to change the tariff when we are depressed the minister would offer a far stronger argument for not changing it when we are prospering. Therefore, as long as he is minister the tariff is eternal; he would never alter the tariff. I am very glad that he changed the frame of mind that he was in because it betokened a departure from financial sanity. Having got over this surprise, I was very much interested again when the minister proceeded to give us a brand new theory of

protection. He said that a protective tariff is a structure fearfully and wonderfully made—I am reading between the lines—and he further said that you have to look at the solidarity of the structure. That was news to my hon. friend the Solicitor General (Mr. Meighen). It surely conflicts with the original theory of protection. What is the original theory of protection? We have heard it again in this debate. It is that you must bolster up infant industry, that you must help infant industry. But according to the new theory, the minister himself contemplates all industries reaching maturity at the same time my hon. friend says that the industrial family are all infants. They grow in beauty side by side and you must not interfere with one of them until they are all matured. That is why you could not interfere with the tariff. Then he goes on and interferes with some of them but interferes with them mostly to put them upwards. He was so insistent upon this new theory that he betook himself to the creation of epigrams. He said, in a previous debate, that free food means free trade. He was replying to some remarks of my own in a particular speech and if I had not already spoken in the debate I should have wanted to ask him why he was so angry with me, or why he chided me so strongly, because I had said that President Wilson had torn protection up by the roots in the United States. They have practically free food in the United States, and if that means free trade it looks as if the minister's new epigram means that we must have free trade at once. According to the minister, this policy in the United States means free trade, and if that be true my hon. friend's epigram means free trade. I offer my very sincere thanks to the minister for his conception. I think I understand what he means. I think he means that once you give free trade along certain lines it will follow in others. I congratulate him upon seeing so clearly.

I cannot congratulate him, however, upon the position he took in his economic work on behalf of Canada. As Great Britain is a free trade country and, according to the minister's epigram, the United States is rapidly becoming a free trade country, he will have to go to Russia and Japan for his economic companions. I do not like to see my hon. friend taking a position like that for the great body of Canadians. Does my hon. friend see what he commits himself to there? Free food, says my hon. friend, means free trade. Well, now, would it be possible to turn back? Suppose we gave free implements, we could turn back instead of going on. Does not the minister know the position he implies when he says that free implements means free trade? He says that if you give the people of the East and the West a taste of this thing it will prove so nice to them that they will go on and put the whole policy into operation? I do not think he quite saw what he was committing himself to. The Solicitor General did not argue on this theory when he was arguing the question of agricultural implements. He argued the question of agricultural implements in his most able manner absolutely on the merits of agricultural implements, and he proved that there was good ground for a part of the policy embodied in the amendment of my right hon. friend the leader of the Opposition.

I wish to offer some more congratulations to my hon. friend the Minister of Finance. I want to congratulate him on the fact that he did alter the tariff and he did it without the help of a tariff commission. Two years ago he indicated to Parliament and to the country that a tariff commission was absolutely necessary to the proper and scientific handling of the tariff. But I think he has, by his recent action, taken a position in which we can ask him to acknowledge that he owes the Senate thanks for their action upon that particular measure. There would have been an enormous amount of money spent annually by the commission and I think my hon. friend owes the Senate his warmest thanks for their opposition in regard to it, not only because they opposed in a measure the commission, but because of the amendment which they introduced to the Commission Bill. What was their amendment? The amendment was to the effect that in dealing with the tariff we should look to the interests of the consumers as well as to the interests of the producers. I want to call the attention of the House to the fact that in his tariff changes the minister seems to have been absolutely innocent of the thought that there are either farmers or consumers in this country. The tariff changes, according to his own showing in his Budget speech, have been carried out in the interests of producers of certain commodities. Take free wheat—to whose representations did he give weight and attention? To the millers? I give him credit for the painstaking work that he and his

helpers have done but when he gave us the particulars it was apparent that fifty per cent of the case that he presented to us was made up of information relating purely to the people engaged in the agricultural implement industry. He has examined the books of these people; he has examined the condition of these people; he has found out that they are the bankers of the farmers. I wonder if it did not strike the minister that he ought to have examined into the financial condition of the farmers who are in such a condition that the implement makers have to be their bankers. What does that fact mean? It means that the settlers are tied body and soul to pay not only for the implements but huge interest upon their cost from year to year, and that is one of the causes that has produced the condition of the West to-day. Surely further inquiry should have been made into the financial condition of these farmers.

In regard to the iron duties, the minister also examined into the iron industry. He does not seem to have seen the need of looking at the effect of this change in duty upon any one except those engaged in the industry of steel and iron. Yet my hon. friend pretends that the policy of which he is the exponent is a national policy. It is sectional, nothing but sectional and always sectional. My hon. friend admitted that in the very method by which he put his arguments on agricultural implements before the House. He enumerated every place in Canada where implements were made and, by the witty retort with which he met an interruption of the hon. member for Brantford (Mr. Cockshutt), he showed that in his own mind this protection is a local and a sectional thing. He hoped that he would be able to outlive the mistake of having overlooked Brantford in his enumeration.

There is no need, in my judgment, for a long argument upon the question of free wheat. That question was debated and voted upon in this House during the present session; but it is permissible and I think is my duty to look at the arguments by which the minister has satisfied himself that he ought to refuse free wheat. The arguments which have weighed most with him are very peculiar. In the first place he doubted, like my hon. friend the Minister of Trade and Commerce, whether the price of wheat would be raised, because he says that the price is fixed at Liverpool. This is quite true in a degree, but not the price to the farmer. It is a truth that has been very well known for a great many years. Mr. Gladstone put forward that argument in regard to America. He once said:

> It has been very well said, and very truly said though it is a smart antithesis—the American agriculturist has got to buy everything that he wants at prices that are fixed in Washington by the legislature of America, but he has got to sell everything at prices which are fixed at Liverpool by the free competition of the world.

That argument is only partially true to-day, because it was used thirty years ago. The fact to-day is the fact brought out by my right hon. leader this afternoon, namely, that the price which the farmer gets and the price which the consumer pays are both to a large extent fixed by the combines. This consideration explains what, the minister tells us, puzzled the people of Ontario during the last election. What puzzled the people of Ontario in the last election was how you could possibly benefit the producer and the consumer at the same time. It is a fact, capable of absolute proof, that you can do so. In my native county of Northumberland in England, for several harvests past, as soon as the wheat was garnered, the farmers in the northern part of that country received into their hands an average price of 96 cents a bushel for their wheat. That is under freedom of trade. It was proved to-day, not to the satisfaction but to the dissatisfaction of the Minister of Trade and Commerce, that in the same county of England where the farmers are getting into their hands 96 cents a bushel for their wheat as opposed to the bare 65 cents a bushel which the farmers in southern Alberta and Saskatchewan get, flour containing Manitoba wheat is being sold cheaper than it is sold in Winnipeg. That is the fact. What is the explanation? The explanation is that, when you shut out competition and create combines, these combines give what they like to the producer and take what they like from the consumer. Last night my hon. friend from Haldimand (Mr. Lalor), who almost led one to believe that he is a lineal descendant of the good Samaritan and is spending his time giving away tomatoes these days, denied that there were any combines. Yet in reply to an interruption by my hon. friend from Strathcona (Mr. Douglas) he actually admitted that the farmer in Ontario is getting something like twenty-five and thirty cents a bushel from year to year for his tomatoes and that the consumer is paying some years something like thirty cents for two or three cans. I do not know how many cans of canned tomatoes you can get from one bushel of tomatoes and a barrel of water, but there is a

tremendous spread of profit between the twenty-five or thirty cents that goes to the farmer and the enormous sum that is got out of that barrel of water. That is what is raising the cost of living to the poor people of this country. It is the combines that are doing these things. In a recent debate I advanced the argument to the minister that the high cost of living in this country was due to the tariff and the combines that arose under the tariff, and he replied to me in the course of the same debate that it was not a sound argument that the tariff is the cause of the high cost of living, because the price has gone up more than the tariff in so many years. It was not quite a fair argument on the part of my hon. friend to deal with only fifty per cent of what I advanced. I never said that the tariff alone was responsible for the high cost of living; I said that the tariff together with the combines was, and I want to give a confirmatory opinion of my own. Mr. Woodrow Wilson said:

> It is now no longer arguable that these combinations do not settle what prices shall be paid; settle how much the product shall be, and settle moreover, what shall be the market for labour.

The other argument which seems to have satisfied my hon. friend in refusing free wheat was a more peculiar one. He said, before you try the market to the South, you should wait until you get the Transcontinental railway completed East and West and until you get the Hudson Bay railway completed. Is my hon. friend serious when he asks us to wait until these railways are completed, which will be in the time of our prosperity to which my hon. friend is sending his borrowings? I endorse what my hon. friend from North Oxford (Mr. Nesbitt) said in regard to the Hudson Bay railway. I never said a word in its behalf on any platform in this country, and I myself have very little belief in the clearness of the economic thought of any one who seriously turns aside to avoid a market of 90,000,000 people and goes and builds a railroad where you have to navigate amongst the seals and icebergs in the hope that you will be able to dispose of your wheat.

Mr. CARVELL: For two months in the year.

Mr. CLARKE: I would not like to send my wheat there for any months in the year; I have very little belief in the project. I know that both parties have supported this project, but I wish to put in a word for my own party, because when they were in power the case was altogether different. The Liberal party did foolish enough things when in power, but they never were foolish enough to prefer the Hudson Bay road to an assured market of a hundred million people. That market was not open to us then, and the Hudson Bay road was an alternative to nothing south of the line. But to propose to the farmers of the West that they should wait for this railroad development is a very weak argument—certainly it is utterly unsatisfactory to my mind. I should say that the policy for people who want to do business and develop the country along wise lines is to try that which is at your hand—try the market to the south and go on with that when you can get it.

But this whole argument of the Minister of Finance was vitiated, as was that of the Minister of Trade and Commerce this afternoon, by the thought that all this fine dreaming, all this fine political weaving can be reduced to naught by the United States Government. The interruption was perfectly pertinent, I think, of some hon. member on this side who asked the Minister of Trade and Commerce: What will you do when the duty is taken off wheat by the United States Government? We are absolutely at the mercy of the United States in that matter. They have proven that in the case of cattle. Everything that my hon. friend the Minister of Trade and Commerce advanced about the impossibility of trade south of the line was advanced with regard to cattle as well as with regard to wheat two years ago. And everything advanced with regard to cattle has been absolutely falsified by what has happened and the prophecies of hon. gentlemen opposite are discounted to that extent. We on this side of the House have the right to say that our predictions and the position we took two years ago have been absolutely justified; and I believe that if free trade in wheat were given we should be justified in that particular also.

I should like my hon. friend opposite to compare the dignified position which Canada occupied under the reciprocity treaty with that to which the people of Canada have been reduced by the attitude of the present Government. When we arranged reciprocity we made a treaty which was equally honourable to us and to the United States, a treaty under which we should have

dealt on equal terms. But with a Government supinely holding their hands and incapable of doing anything, the Canadian people are, if you like, dragged into commerce by the scruff of the neck by a foreign Government. I give the people that thought as showing that the policy of the present Government is weakness itself compared with that of their predecessor.

There is a great responsibility resting upon my hon. friend yet in this matter, and upon the Government of which he is a member. I wish to impress this upon him. And the responsibility is all the greater because it has been proven past all doubt by the action of the Conservative Manitoba Legislature that even in Manitoba there is no difference on this subject. I presume that the members of the Manitoba Legislature are aware what is the opinion of the people of that province. Yet my friends opposite come forward as exponents of what they call a national policy and tell the West not to look at things sectionally. What harm can it do the East if we get free trade in wheat? Of all the peculiar arguments I have ever listened to, the argument directed to the idea that you can hurt, for example, the manufacturers of agricultural implements by promoting the prosperity of the farmers is the most peculiar. Did ever any one hear such nonsense talked—you make prosperous farmers and you thereby ruin the manufacturers of agricultural implements. That is the true National Policy—build your farmers, and they will build your railways and your manufacturers as well.

Now, I do not need to dwell long upon the question of free implements; I will just say that I think the Government have made a great mistake in the way they have handled this subject. They are very inconsistent in touching it at all. We heard something from my hon. friend the Minister of Trade and Commerce this afternoon about a political policy. I do not think that the Government in taking off a paltry five per cent from the duties on two lines of implements can be said to have acted absolutely free from political considerations. I do not think they believe that this change will affect the prices of implements one jot or tittle. This reduction has been given to save the face of my hon. friend the Solicitor General (Mr. Meighen) and the other Conservative representatives from western Canada—that is the whole object of this paltry reduction. Sound economics following the line of argument of my hon. friend's speech would teach that the only way to be sure of decreasing the revenue from these articles—and if we are going to economize, we must decrease revenue and take less from the pockets of the people—would be to make the implements free; and the only way you can be sure of reducing the price to the farmer is to make them free, as Mr. Wilson has done in the United States. We are told that this will destroy the industry. I do not believe it. Did the placing of cream separators on the free list destroy the industry on cream separators? There are splendid and flourishing cream separator manufactories in this country. Why? Because the moment you made these machines free to that extent you helped the dairy industry, and the dairy industry reacts upon the cream separator industry. And there you have exactly the proper method of developing an industry and increasing the prosperity of this country. My hon. friends who are protectionists are continually trying to build the prosperity of the country by poising the cone upon its apex. You must put the cone upon its base, and the apex will stand all right—it requires a juggler to do it the other way, not an economist.

Now, I wish to say something in conclusion about the iron and steel duties. I am bound to admit that while the placing of these duties on iron and steel like the reduction of the implement duties will not have much effect in Western Canada one way or the other, it is a very astute political move. As such it is a strange comment on the term 'national' as applied to the protectionist policy. It appeals to Nova Scotia and to Ontario, and it has made its appeal in these directions in a way that is interesting to me as a free trader looking on. The very fact that it is an astute political move is the strongest condemnation of it economically; it is an unwise move economically just because it is not a national policy. The hon. Minister of Finance indicated, as have certain other speakers, that the iron and steel industry is next in importance to agriculture in this country. I do not agree with that; transporation, railways, is the next in my opinion. And this is where the mistakes come in of putting these duties upon steel and iron. It is sometimes said that protection is a good policy for a young country. Here is an interesting sidelight upon the study of the problem: the name of John Stuart Mill was mentioned by the hon. member for Yukon (Mr. Thompson) as giving his authority to that view. Well, I have somewhere a pamphlet containing

several letters from Mr. Mill, in which he expressed the utmost regret that in a moment of inadvertence he had given passing countenance to that opinion. But we do not need to depend upon authority for the settlement of that question; we are a young country; we have common sense, and we can settle it for ourselves. We can settle for ourselves whether the duties on steel and iron are good for a young country. Is there anyone who will get up in this House and deny that transportation to the farms and to the people of this country is next in importance to the basic industry of agriculture? I do not think any western member will. The Government and their supporters admit my views upon this matter; they say: we agree with you that railways are very important; let us promote the building of railways by making iron dear. Is that good logic? Is it common sense? You will promote the building of railroads by making iron cheap; if you put a tariff upon iron you make iron dear, and to that extent you put obstacles in the way of the development of a young country. England could afford far better than Canada to have a tax upon steel and iron. England has now 20 miles of railway to every 100 square miles of the country; that means that no one in England is, on the average, more than two and a half miles from a railway. England, an old country, could much better afford, from this transportation point of view, to have taxes upon steel and iron than we can. But, after all, what is the good of arguing with a Government that talks about building railroads by making iron and steel dear? What is the good of arguing with a Government that gives bounties or imposes duties in favour of the iron and steel industry, and then puts up its Solicitor General to talk for three hours and a half in favour of wooden trestles on railways? The way to promote the iron and steel industry is to use iron and steel, not wooden trestles. If I were the Solicitor General, I would not take a brief for wooden trestles; I would leave a wooden argument like that to wooden heads. The people do not want iron. I do not want any iron; what is the good of mere iron to me? I want nails; I want stoves and I want railways; I do not want iron. But you make all these things that I do want costly by putting duties upon steel rods; you make the things the people actually do want costly, and then you say that protection is a good thing for a young country. I am a young inhabitant of a young country, and I am reminded by these good things that are said to me of the labourer in the south of England, who, in the anti-corn law days, made the most effective speech ever made against protection. He went on the platform and said: 'Ladies and gentlemen, I be's protected; I be's starvin' and I am agin protection.' The men who make nails are already complaining. This particular industry of iron and steel is a good illustration of all the evils of the protective system. Cheap iron and steel would help the railroads; it would help shipping; it would help the making of cutlery; it would help the making of stoves; it would help the making of agricultural implements and all the things that a young country really wants, but dear iron operates the other way. Who does it help, this iron industry? The millionaires; granted. I mentioned this point before: Mr. Carnegie retired from the steel trust of America recently with a reputed income of $1,000,000 a month. Yes, it makes the millionaire; it makes them Schwabs and Carnegies—there is no doubt about that. I have tried to show in the sentence I have just uttered that it does not help the consumers, and who are left as a special class—the labourers. The time is coming, and coming rapidly on this continent, when the people are going to see that the workingman is not helped by protection. I think a puncture was put in that bubble this afternoon by my right hon. leader when he analyzed the figures the Minister of Finance gave in regard to that and showed the miserable wages that are being earned on the average by the people engaged in the food industry. This idea of protection helping the workingman, shared by the Minister of Finance, as quoted by my right hon. friend, is an example of the persistence of an unfounded belief. So far as I have been able to examine the question I am unacquainted with a single fact in support of the contention that protection helps the workingman. All the facts I have been able to find point the other way. It is an old belief. I think in the very first speech he delivered in the House of Commons in 1841, Mr. Cobden, replying to a statement that free trade in grain meant the reduction of wages, used the following language, the simplicity and completeness of which cannot be improved upon:

> We should, by free trade in corn, very much increase our trade. How can this be done, unless by an increased amount of labour? How can we call into requisition an increased de-

mand for labour without also increasing the rate of wages?

That was the argument put in simple language by one of the greatest men that ever lived, though he never got inside a cabinet—perhaps that was because of his size—and I defy any one to meet that statement. That was a prophecy; how did it work out? Who was right? The fact is that in Britain the actual prices of labour rose after the repeal of the corn laws and the introduction of free trade faster than they ever have done in any civilized country in the world and they have risen until the labourers of Britain are the aristocrats of European labour; they get higher wages, whether for skilled or for unskilled labour than are paid anywhere else on the continent. At that very time—I come now to another fact in this argument; I hope I am not wearying the House—at that very time Mr. Cobden pointed to the United States, long before there was any protection there, as the El Dorado of the workingman: as the place where the workingman should go to earn larger wages. Now, what facts have we got? That the wages were miserably poor in Britain under protection and that at the time they were poor in Britain under protection they were high in the United States under free trade. Mr. Carey, who wrote a book called Past, Present and Future, said that one of the reasons given for the introduction of protection in the United States was that it would reduce the wages which were too high. That is to be found on record in that book. Compare that with the condition of wages in the United States to-day. Wages in Britain have gone up; nobody who knows the facts will deny that for a moment. What has happened in the United States? If you read Collier's Weekly of March 9, 1912, referring to the Lawrence strike, you will find that Collier's Weekly tells of the textile workers in Lawrence, Mass., denying themselves the common necessaries of life and taking lodgers into houses already overcrowded by their own families to scrape up money to return to their native land. That is one of the most highly protected industries in the United States—the woollen industry. If I had time I would like to have gone into this question a little more fully. An interesting book has been published—a little book which I know and have read—by Professor Nearing, of Pennsylvania University, on wages in the United States. The book has this very great merit for any one who wants to find the truth upon the question, that it is a purely sociological study, and the tariff is never mentioned in it from beginning to end. What are the main findings of that book bearing on the question under discussion? The author sets out by quoting Professor Chapin to the effect that a New York artisan with a wife and three children needs $900 for a living wage for himself and his family. And how far do the United States conditions to-day, after high protection for sixty years, go towards the standard laid down by Professor Chapin? Nearing finds that, taking a line through the Rockies and north of the Mason and Dixon line three-quarters of the adult male workers of the United States of America actually earn less than $600 a year. Nine hundred dollars needed for a man, his wife and three children, three-quarters of the people in the industrial portion of the United States, according to this professor, upon less than $600 a year, or, in other words, only two-thirds of a decent living wage! And yet the minister indicates his opinion that in Canada protection helps to raise the wages, that it gives a proper standard of living to the workingman. What are the further findings of this book? The author finds that westward the wages rise. We who know anything of Canada know that is absolutely true in Canada. Westward the wages rise. Well, that means that the farther you get from the centers of concentration of highly protected industries, the higher are the wages. These are rather peculiar comments from a United States professor upon the theory that protection raises wages. He finds what we absolutely know in western Canada to-day, that the highest wages are paid in the building trades and that is also true of eastern Canada. Now, protection cannot raise the wages in the building trade because we do not up to now to any extent, import houses. Bricklayers, he finds again, are much more highly paid than brickmakers. You cannot protect bricklayers in their business. You can protect brickmakers by a tariff on bricks, because you can import bricks; but the bricklayers are paid more highly than the brickmakers. We find that the men's unions are weakest where the tariff is highest. That is, the tariff strengthens the employer and not the employed. These are the main facts of the book as I have collated them.

What about iron and steel? because I want to bring it before this House and the country and Parliament that this ministry

has started to build up an iron and steel industry in this country corporable to the iron and steel industries of the United States. The iron and steel industry is the most highly protected trade in the United States. When we are following the bad example of the United States I am determined that, so far as I am able to prevent it, the people of this country shall not go into it with their eyes shut. At a conference held in Pittsburg by the skilled labourers of America a petition was drawn up to President Taft. I shall tresspass for a moment on the House while I read what was said by the leading men in American labour unions about the United States steel corporation in its relations to labour. This petition alleges that the United States Steel Corporation

(a) Is an illegal combination existing in defiance of the laws of the land. Its power and scope as a trust have been so often made manifest in its own circulars to investors and in magazines and the press, that no detailed evidence on this point is here deemed essential.

If government officials will, as they have done in the cases of the Standard Oil Company, and the Tobacco Trust, present to a competent court the facts which are public and notorious, the decision must logically follow that the United States Steel Corporation exists in violation of the Sherman anti-trust law. It is not to be doubted that the law and the courts can reach this monopoly even if its annual revenue is counted in the hundreds of millions of dollars. Its power of wealth must not be permitted to paralyze the arm of the law.

(b) In this so-called 'great American industry,' founded upon the tariff enacted for the protection of American labour from the competition of 'the pauper labour of Europe,' it is speedily and effectually excluding American labour, skilled and unskilled, from its employment. It has almost wholly eliminated from numerous departments men who speak the English language. It has again and again advertised that 'Syrians, Poles and Roumanians are preferred' as its employees.

(c) It is accumulating hundreds of millions of dollars by exacting excessive prices for its product from the American public and enforcing an exhausting stint of toil from its labourers and by reducing the masses of its employees to a rate of wages insufficient to provide for the American standard of living.

(d) It not only degrades labour by low wages and a twelve-hour workday, but denies a day of rest by enforcing work seven days in the week, as was made clear in the revelations of the Survey.

(e) Its products are made in reckless sacrifice of human life and human blood, the shocking details of which also appear in the Survey.

(f) It tyrannically prevents the organization of its workers to elevate the standard of living.

(g) It denies the right, recognized to workers by law, to form associations for the promotion and protection of the interests of the toilers.

[Mr. M. Clark.]

(h) It suppresses and prevents free speech and public meetings.

(i) It boycotts American labour and insists upon submissive foreign labour.

(j) It has enforced decrees of banishment from communities where it dominates.

(k) It has in such communities exercised powers beyond the law and in defiance of law, denying to citizens rights fully guaranteed to them as American citizens.

(l) It has both usurped and controlled the exercise of authority in local communities in its own name in violation of the plainest fundamental principles of law.

(m) It is organized illegality, dominant and defiant, with no respect for legal right or human right, with brutal indifference as to human capacity for endurance and for deaths and injuries of its toilers.

(n) Its continued existence and methods are a menace not only to labour but to the business men yet outside of its baneful power and influence, and particularly to the perpetuation of our Republic based upon the independence, character and sovereignty of the masses of our people.

Now, that is a charge that is brought by the heads of American labour against the steel trust of America; and yet hon. gentlemen come to this House, the Minister of Finance tells us that the national policy which is the son of the republican protectionist policy of the United States raises the standard of the workingmen of this country. In case this evidence should not be believed, let me say that in the case of the Bethlehem strike, within the area of this great steel trust, the Federal Council of the Christian Churches of America appointed a committee of investigation into the conditions prevailing in that industry and they found briefly this: fifty-one per cent of all employees had a twelve-hour day. In free trade Great Britain anything beyond a nine-hour day is unknown. They found that twenty-eight per cent of the employees worked regularly seven days a week. This agrees with Nedring absolutely. The committee went on to state in regard to the wages then the wage scale leaves no option to the common labourers but the boarding boss method, with many men occupying the one room. A man with a family takes in lodgers or the woman works. Immigrant parents are reported to send their little children back to the old country to be reared while the mother goes to work.

Mr. Speaker, I would have been lacking in my duty to the people of this country if I had not protested against these iron and steel duties as the first step in the direction of introducing into Canada what is the greatest industrial shambles upon the face of the earth. I support the amendment of my right hon. friend with the very greatest pleasure. I support it in spite

of the very thin fun that was poked at it by my hon. friend the Minister of Trade and Commerce, and which produced for a few minutes such hilarity upon the benches opposite. My hon. friend in poking that fun disregarded the terms of the amendment. He attacked the amendment as if it only dealt with free wheat and free agricultural implements. Why, it ended in favour of a reduction of the tariff all round—at least so I heard it read. Could you have a more complete division between the parties than the policy of the Government as I have examined it—at too great a length, I fear—and that amendment? We are told that it is not a free trade amendment. Even I did not expect that; I had too much regard for history. The first really large step in the direction of free trade in Great Britain itself, was the repeal of the Corn laws. That was exactly equivalent to free wheat. President Wilson before the last election in America, so far as I have read his speeches, did not mention a single duty that he would interfere with. He attacked the evils of protection, and showed the road he was going. My right hon. friend is in excellent company on the tariff when he follows the example of Sir Robert Peel in 1846, and of President Wilson last year. I cannot see where the joke comes in in the fun of the Minister of Trade and Commerce, and I do not think they will find it much of a joke a little later on. On its merits I believe the amendment would receive the support of every patriotic and thoughtful Canadian. I do not think any thoughtful Canadian, if he considered the subject in a non-partisan, unprejudiced manner, would see anything objectionable if free food were in the amendment. And who says free food is not in the amendment? When you start to reduce the tariff, who is going to say where it will stop? According to the Minister of Finance free trade is in the amendment, for he says free implements mean free trade.

Mr. MEIGHEN: What do you say about it?

Mr. CLARK: I am trying to say a good deal about it. I 10 p.m. say that it is an amendment which will commend itself to a very large portion of the people of this country, and I think that a large majority of the people of this country would be in favour of radical treatment of the tariffs of this country. And I not only think, I think I know, that the more the people of this country get to know about tariffs along the line of what I have been trying in my feeble way to bring before this House to-night, the more they will be in favour of reductions in the tariff. In any case, we shall vote as a united party in favour of the specific policy of free wheat and of the specific policy of free implements and for a reduction of the tariff. The party opposite on the other hand stand for the maintenance of tariffs, and for the so-called National Policy. They stand for the introduction of a steel trust in this country, and for all the enormities of protection for combines as they have been exposed and found out in the United States, and as they are being deserted in that country. I would have voted for free food if it had been specifically mentioned. I agree with what Lord Macaulay said in Edinburgh in 1845:

> If there be anything in which all peoples, nations and languages, Jews, Greeks, Romans, Italians, Frenchmen, Englishmen, have agreed, it has been that the dearness of food is a great evil to the poor.

I agree with someone else who has said that taxes upon food are a crime against humanity. I have been called a theorist. There is nothing theoretical about protection, it is practical enough: millionaires and multimillionaires at one end of society and on the other hand the great masses of the people exposed to dear food, racking house rents, unapproachable clothing owing to price, thousands of unemployed,—and this is all true of Canada—falling immigration, falling revenue, farmers leaving their farms, falling trade and increasing debt—those are the accompaniments of the so-called National Policy in Canada at the present time, and every gentleman opposite knows it. I will tell the Government that building armouries will not cure these things. The amendment might have gone farther in specific terms without hurting me. If it had said free necessaries of life I believe the people would have stood for it, but with sufficient reductions in the tariff we will get the free necessaries of life. The amendment as it stands would increase our commerce, it would help to smash combines and to reduce the cost of living. It would also be a step to raising the price of labour. It is a policy of infinite good as compared with the supine, do-nothing or worse, policy of the Government and their supporters.

Mr. H. H. STEVENS (Vancouver): Mr. Speaker, the occasion of the Budget debate

is, I understand, a fit and proper time to offer criticism of the policy of the Government and the administration of the financial affairs of this country during the preceding year. It is also the occasion upon which we look into the future and discuss the question of ways and means in regard to our financial and commercial policy. It is not my intention to follow the arguments of my hon. friend who has just taken his seat (Mr. Michael Clark) in so far as they referred to the expenditures of the Finance Minister during the past year. He characterized the administration of the Finance Minister as one of gross extravagance. On the contrary, I believe that the Budget speech of the Minister of Finance on the affairs of this country and the management of its finances has passed through the criticisms of hon. gentlemen opposite, and that it stands to-day in a very creditable position indeed. A very violent attack was made by the hon. gentleman who has just taken his seat upon the whole question of protection, and if we wanted a concise and brief argument in favour of railway protection in this country I would point to the last two paragraphs of the speech of my hon. friend.

He has drawn the most lurid picture in this House—I do not know his authority for it but I am taking his word—as to the condition regarding the iron and steel industry in the United States. A few moments ago he said it was a crime for this country not to allow its citizens to buy in the open market and that in so far as he was concerned it was his intention to buy stoves, rails, knives and this and that in the cheapest markets irrespective of the conditions under which they are produced. He knows perfectly well that if you are going to improve the conditions under which iron and steel are produced in the States one thing will follow in all probability and that is increased cost. I would like to know what the hon. member for South Cape Breton (Mr. Carroll) thinks of the iron and steel arguments which have been presented by the hon. member for Red Deer and whether or not he would like to hand the people of Sydney over to competition with the conditions which have been so luridly drawn by the hon. member for Red Deer.

I purpose taking up a little later other statements of the hon. gentleman and he will pardon me, if, for a moment, I digress and refer to some statements made by the right hon. leader of the Opposition (Sir Wilfrid Laurier). In his remarks he stated that agricultural production is not equal to the requirements. In another moment afterwards he said that the greatest need of Canada for her farmers was larger markets. These are two sample arguments taken from the speech of my right hon. friend. Then, throwing the responsibility upon the present Government, he added: This Government has done absolutely nothing since it came into power in order to deal with this great problem which he characterized as the greatest problem of the age. I purpose drawing your attention, Mr. Speaker, and that of the House, to what has been done, not by a mere statement of the condition of affairs but by giving the actual facts. In 1899 the Government of the right hon. leader of the Opposition spent $376,000 in the interests of agriculture; in 1905 the Government spent $651,000; in 1911 and 1912, we spent $1,646,000; in 1912-13, we spent $2,703,000 and in the present year, ended March 31, 1914, we spent $4,027,000. This money was spent by the present Government in the interest of agriculture, yet the right hon. gentleman says that this Government has done nothing for agriculture. But I do not base my case merely upon figures and I might add that these figures are absolutely authentic and taken from the departmental reports. I hold in my hand a large number of testimonials from various parts of the country and I will read extracts from a few of them so that my right hon. friend may know that not only the Conservatives of Canada but the citizens of Canada irrespective of politics, including some of our political opponents, compliment this Government on the efforts it has made in the interest of agriculture. The Hon. Walter Scott, Premier of Saskatchewan, speaking in Ottawa at the Canadian Club and in the presence of the right hon. gentleman himself, said:

> Hon. Mr. Scott dwelt at some length on the progress of the province he represented in the last seven years. Seven years ago 63,000,000 bushels of grain were produced. This year 230,000,000 bushels. Seven years ago there were 900,000 head of stock; to-day there are 2,000,000.

This is evidence of the progress of the West under the present Administration. We have been told by hon. gentlemen opposite that everything was going to the bow-wows, but we know from the statements of a gentleman like the Hon. Walter Scott and others that this is not the case. Now, I shall read a letter from the province of Nova Scotia in

which the Agricultural Society of Halifax county—

—do express our appreciation of the grant made from the federal appropriation for agricultural education, which has been used to assist in erecting a building suitable for 'short course instruction' on the Middle Musquodoboit exhibition grounds. And that we also express our thanks to the staff of the Nova Scotia Department of Agriculture for arranging and conducting in that building, the very satisfactory 'short course' on agriculture just completed, and that we as farmers express our approval of the co-operation of the federal and local departments for agriculture.

And so on. Then we have a speech delivered by the Hon. Duncan Marshall, Minister of Agriculture of the province of Alberta, also a Liberal Government, in which he compliments very highly my hon. friend the Minister of Agriculture (Mr. Burrell) and says that he is working in co-operation with the Minister of Agriculture of the different provinces in a manner that means much not only for the success of agriculture but for its progress in future years.

Here is a resolution from the Yarmouth Agricultural Association along the same lines and I shall not detain the House by reading it. There is another letter from Truro, N.S., which is along similar lines on behalf of a hundred and five teachers in attendance at the rural science school held in the Agricultural and Normal College, Truro, N.S. It says:

We, the undesigned, do hereby wish to express our appreciation of what has been done by the Dominion Government. We hope, in return, to instil some of the knowledge and enthusiasm which we have acquired at Truro into the pupils that attend our schools.

I have others along that line, but I do not wish to detain the House at the present moment. What I wish to say is that this Government has grappled with the question in a manner that the late Government never attempted to do, and while it takes some time to see results, yet I think what has been accomplished answers the criticism of the leader of the Opposition.

During the past three weeks we have been favoured with the criticisms and the observations of hon. gentlemen opposite and I have carefully listened to find out exactly where they stood in connection with the fiscal policy of the country. I was impressed by the fact that their policy was very much like Joseph's coat; it was a thing of many different colours. The main portion of the coat was blue, exceedingly blue, I think, for the hon. member who has addressed the House on this occasion used very doleful terms and pointed to a gloomy outlook. Then we had the scarlet of the extremely radical, that element which looks upon every manufacturer, every captain of industry, every leader in transportation, as a veritable rogue, a man who is seeking to rob the country. These hon. gentlemen have not a kind word or a moment's consideration for that class. Then we have the white purity squad—the hon. member for Carleton (Mr. Carvell), the hon. member for Richmond (Mr. Kyte) and the hon. member for Humboldt (Mr. Neely) who were the chief critics of the Government with regard to allegations of corruption. We have also here or there an hon. member who is a wearer of the royal purple of the old National Policy. This is the only saving feature of the policy which has been brought before us by the leader of the Opposition to-day in the amendment. I would like to look for a moment at the amendment. It starts off with a reference to the prevailing economic conditions:

That it is advisable:
1. To place wheat and implements upon the free list.

This is a sop to the western farmers. Then it goes on with a very clever suggestion which is intended to allay any disturbance which may arise in the minds of the manufacturers of the East:

And that without doing any injustice to any class, steps should be taken to alleviate the high cost of living by considerate removal of taxation.

Reference has been made to vague definitions, but of all the vague definitions of expressions of opinion that I have seen, the vaguest is summed up in this amendment to the resolution. Let me give some of the opinions of my hon. friend opposite. The hon. member for South Renfrew (Mr. Graham), speaking at Hamilton the other day before an audience of ladies, had this to say:

It has been said that the Liberals are free traders and the Tories protectionists. I myself say free trade is out of the question. We must have revenue and the people pay a tariff much more easily than direct taxation. Stability of tariff is another thing that Sir Wilfrid has fought for.

On the same occasion when he was speaking to the men in the same city, he had this to say:

When Sir Wilfrid Laurier appealed to the people in 1896, he declared that the tariff would be regulated so that indebtedness would be wiped out and the people would show their prosperity by the jingling of dollars in their pockets. The tariff would be treated by Sir Wilfrid in recognition of the fact that the Government would be responsible to the people.

There never was any desire on the part of the people to injure Canadian industries, but food that goes on the workman's table should go there untaxed.

We have the word of the hon. the junior member for Halifax (Mr. Maclean), of the right hon. the leader of the Opposition and of the hon. member for South Renfrew that food should go on the workman's table untaxed. As pointed out by the hon. Minister of Finance, it is perfectly clear that it is utterly impossible to disturb the tariff to any degree without interfering with the whole fabric of a reasonably protective tariff. If you have a tariff in a country, it must be one which protects the various interests in as just a manner as is possible. If you are going to put implements on the free list, then as the Minister of Finance pointed out, you must extend other concessions to the implement industry. By so interfering with one part of the tariff to any appreciable degree, you find yourself sooner or later interfering with the whole fabric of the tariff.

I desire to deal with some of the statements made by the hon. member for Red Deer (Mr. Clark) and I am sorry he is not in his seat, as I have under my hand some information that I think would be valuable to him. He has constantly posed as a particular student of political economy and he has entertained this House with many unsupported statements as to the effect of free trade in Great Britain, the United States and other parts of the world. I have already alluded to the picture which he drew a moment ago regarding conditions in the United States. I think, before I am through with my remarks, I shall be able to controvert successfully the statement he has made. Before doing so, I wish to correct the impression conveyed to this House by the hon. gentleman a few weeks ago, which has been placed upon 'Hansard' and gone out to the country as an accurate illustration of the condition of affairs. He said with very great force indeed, which is characteristic of him in his speeches, that during the last three years Great Britain had increased her manufactured exports by £70,000,000 and that that was a record that had never been equalled in the world. He went on to say that that was an argument in favour of free trade. The facts are these: In 1907, the British exports amounted to £426,000,000; in 1908, they fell off by £50,000,000 in one year and amounted to £377,000,000; in 1909, they remained stagnant at £378,000,000. From 1910 to 1912 they rose to £478,000,000, the increase being £61,000,000 in a period of six years instead of £70,000,000 in three years, as stated by the hon. member for Red Deer. Canada during five years has increased her total trade by $514,000,000 and her exports by $132,000,000; or in other words, the per capita increase in six years in British exports was $6.50, while the per capita increase in Canadian exports over the same period was $18.50. When my hon. friend picks out odd years and makes statements regarding the value of free trade, it is always well to examine his figures.

He made another statement on that occasion, which I wish to controvert. Picking out two years again, he stated that in 1883 Canadian trade was about the same as it was in 1896. These are the actual facts: From 1869 to 1873 we had a Tory government in this country, and the total trade for 1869 taking exports and imports together, was $130,000,000. In 1873 the total trade rose to $217,000,000, an increase of nearly 100 per cent. Then came into office the Liberal Government and immediately the trade fell off from $217,000,000 in 1873 to $153,000,000, in 1878. Again, came into office the Government under Sir John Macdonald with the National Policy, and our trade increased from $153,000,000 in 1879 to $239,000,000 in 1896; and in 1911, it had increased to $769,000,000, but in the following year the increase was over $210,000,000 in one year, or in the two years from $769,000,000 to $1,085,000,000. When the Liberal Government was in power before the adoption of the National Policy, the trade dropped off nearly 100 per cent; when the National Policy was introduced there was a continual climb, but the climb has been more rapid under the present Government than it was even during the palmy days of the Liberal Government, in spite of the fact that they perpetuated our fiscal policy.

We have heard a good deal regarding the home market, the Northwest, and so on. I would not presume for one minute to controvert the opinions of hon. gentlemen from the prairie provinces with regard to what should be done in that part of the country, but I want to make a few observations and I am sorry that the hon. gentleman for Red Deer has vacated his seat. He went out to the prairie provinces about eight or nine years ago. I take it from his own statements that he is a man of considerable business ability; at least he poses to be an authority on matters of finance and business. I take it for granted that when he went out to the prairie country to engage in farming, to raise steers, as he says, he knew what he was doing. I assume that he knew

what the price of steers was and what his profit would be and that he would not have gone into the business unless he thought he could make a profit. At that time he could get from $42 to $45 a head for his steers, and this, it is to be supposed, was profitable business. But to-day he would get $80 to $91 for the same animal. And still he complains of conditions in the West. That is, he is making more than a hundred per cent more than when he went into the business; and still he says the business is in a languishing condition. Then he pleads for foreign markets. But what are the facts as given in this House the other day? Last year there was put on the market for consumption in Alberta $10,000,000 worth of beef. Of that $5,000,000 was sold to the British Columbia market and $4,500,000 to Calgary and Winnipeg, and the balance, $500,000, or five per cent, went to the United States. These are figures that cannot be controverted.

Now, reference was made during the remarks of my hon. friend to the tariff conditions in the United States. He said that during the early part of the last century the United States had practically free trade and that wages were higher than they are to-day under protection. Mr. Speaker, that statement is absolutely aside from the fact. Briefly, the history of the tariff in the United States is this: The first tariff, a revenue tariff and very low, was put on in 1779. In 1816, material increases were made. In 1824, led by Henry Clay, there arose a demand for a national policy, and a higher tariff was put into operation. In 1842, a protective tariff was introduced There was a reduction to twenty per cent under the Democrats, but this remained on the statute book for only two months, and then the protective tariff was put on. In 1857, the tariff was reduced to twenty-four per cent, which was called free trade, and remained there for a few years until the Civil War, when again there was an increase. So it went on until 1897, when, under the Dingley tariff, the duties were raised, as we all know, to the highest point. I shall not review in detail the tariff of the United States, but I merely quote these figures to show that the statement of the hon. member for Red Deer was absolutely inaccurate when he said that in the early part of the last century they had practically free trade in the United States. They have never had free trade in the United States since they broke away from the mother country in 1776.

Now, I wish to make, as briefly as I can, in view of the lateness of the hour, some comparisons of free trade versus protection. I stand firmly on a policy of protection. My hon. friend from Red Deer can hurl all the abuse he likes at us; he can tell us we are lacking in common sense, and can give us the remarkable stories he works himself into in his speeches in this House; but the facts are the things upon which we and the country will base our conclusions, and I challenge him to produce at any time in his future speeches facts that will controvert the statements I shall give in the remarks I shall now make. I draw attention to the fact that Great Britain did not dare adopt free trade to any considerable degree until she had control, practically, of the commerce and industry of the world. The hon. member for Red Deer, the champion of free trade in this country, knows that fact perfectly well. He knows also that the people of Great Britain would never have adopted free trade if they had thought there was the slightest competition. Germany and the greater part of Europe had free trade, or practically free trade, and the British leaders said: If we can put on free trade now that will form a precedent, and the nations of the earth will follow and we will keep them from building up their industries. That was the statement of Canning, Huskisson and all the other political economists of that day; it was the statement of the whole school of free traders in England. And their policy had that effect for some time. The hon. member for Red Deer quotes Cobden in this House. Let me tell him that after fifteen years of free trade, from 1846 to 1861, Cobden admitted that free trade was an utter disappointment to the British people and suggested—and succeeded in introducing—a system of treaty making. This began with the treaty with France, which treaty resulted in the tremendous reduction of the manufacturing industries of France during the short time it existed. France learned a lesson during that period of free trade or reciprocity, and they wiped it out and have never had it since. And France is in a better condition than any other country so far as working conditions and the cost of living are concerned. From 1852 to 1860, practical free trade was introduced into England. That is, they call it free trade,

but it is not free trade, and no country in the world has free trade. Why, in the year which ended on the 31st of last month, Great Britain took in $177,000,000 in customs duties, a large portion of which is on foodstuffs. Now, coming down to the period in which free trade was introduced, I desire to quote from Mr. Clive Day, an eminent writer on these subjects. He says:

> If we measure the value of goods exported from 1800 to 1849 on official standards, we should find that they had increased from $120,000,000 to $950,000,000, or 682 per cent.

Now, I will give the exact figures as taken from the blue books. In 1800, the imports were $140,000,000 and the exports were $165,000,000, total, $305,000,000, an excess of exports of $25,000,000. In 1846, during the period of protection, this had increased to $369,000,000, and the imports to $723,000,000, a total of $1,092,000,000, or an increase of 500 per cent. That was a very creditable increase at that time. And I wish to observe that the exports during this period exceeded the imports by $354,000,000, which again is a very creditable story in connection with the trade of the country. In 1860 this rose to $1,825,000,000, caused by the large increase in imports as the result of the repeal of the Corn Laws and the importation of food into England. The imports in this period exceeded the exports by $223,000,000. Now, I have a statement here of the trade of different countries. I have already given the figures for the early part of the century. During the latter part of the century the increase was 225 per cent, as against 500 per cent during the first part of the century. The greater increase was while it was a protective country, and yet according to the statements of the hon. member for Red Deer it should have been going rapidly to the bow-wows.

Now, coming to the United States we find that in 1790 they had an export of $20,000,000 only; in 1912 they had an export of $2,171,000,000. Comparing the total trade of England for the last half-century with the period of free trade, we find that in 1840 the total trade of the United States was $221,000,000 and in 1912, $3,812,000,000, an increase of 600 per cent. That, Mr. Speaker, is a very creditable showing. What do you find in connection with Germany? I have been unable to get the figures with regard to all the German states prior to 1871; hon. gentlemen will remember that at that time under Bismarck the states of Germany were brought under one head and a national policy was introduced. In 1872 the total trade of Germany was $1,843,000,000; in 1910 it was $4,192,000,000, or an increase of 230 per cent, which is a very credible increase. Again, this was under protection. The same thing applies to France and to other protectionist countries in general; I shall not quote the figures at this time.

In 1880 the exports of Great Britain exceeded those of the United States, France and Germany by £16,000,000. In 1908 the exports of these three countries were doubly as large as those of Great Britain; in other words, Great Britain, even as late as 1880, had the supremacy of the commerce of the world, but in 1908 the conditions had so changed that she had only half the export trade which those other three countries had. During the first half of the nineteenth century, under protection, the cotton trade of Great Britain increased 1,000 per cent, or more than tenfold. The hon. member for Red Deer, speaking in the House some time ago, attributed any increase in the trade of Great Britain for the first half of the century to the development of the railways. If that applies to the first half of the century it doubly applies to the last half of the century, because if there has been development in railways it has been during the latter period. In 1800, 32,000,000 yards of cotton were produced in Great Britain; in 1830 the output, under protection, had increased to 347,000,000 yards. In 1850 Great Britain produced more cotton than all other nations combined. She had two-thirds of the world's shipping and two-thirds of the world's coal production. Forty years ago Britain had over fifty per cent of the world's trade in firearms; this has decreased to less than ten per cent at the present time. In 1911, after fifty years of free trade, she lost her position of supremacy and controlled only sixteen per cent of the trade of the thirty-four leading nations of the world. Mark the change: when she adopted free trade she had two-thirds of the trade of the world; fifty years after free trade was introduced this had dropped to sixteen per cent. She entirely lost her place of supremacy.

I wish to deal with one or two industries in a specific manner. We have heard a great deal about the iron and steel industry from the hon. member for Red Deer. He has pointed out that we should not adopt protection because of certain alleged objectionable conditions which obtain in the

United States. While that may be true, that is not what we are concerned with. What we are concerned in is what is the best fiscal policy for this country; it is our business to see that the conditions which surround the industries of our country are right. I shall not weary the House with very many comparisons, but, as briefly as possible, I wish to give a comparison of the conditions in certain nations. In 1840 the United States produced 290,000 tons of pig-iron. In 1900 this output had increased to 13,000,000, an increase of 1,840 per cent. In 1913 the output was, I think, 27,000,000 tons. In 1840 Great Britain produced 1,390,000 tons of pig-iron; in 1900, 8,000,000 and ten years later she produced only approximately the same amount. In 1840 Germany produced 170,000 tons of pig-iron; in 1900, 8,498,000 tons. This has increased by twenty-five per cent during the last few years. I could quote a large number of other figures, but the hour is late and I shall not weary the House with them at this time.

I must draw the attention of the House to what I deem to be one of the tragedies of free trade in the old country. In 1860, when the duties were removed from the silk industry, in London alone there were 24,000 looms and 60,000 operators. By 1884 these were reduced to 1,200 looms and 4,000 operators, a reduction of about one-twentieth. In Coventry in 1861 the ribbon trade employed 40,600 persons; in 1884 the number was reduced to 10,000 persons. In Derby the number of employees was reduced from 6,500 to 2,400 persons, and in Manchester the trade was absolutely wiped out. In the year 1823 the output of manufactured silk in the old country was £6,200,000. By 1857 this had increased to £21,500,000, and after forty years of free trade it had dropped to £6,000,000, exactly where it was at the beginning of the century. In the year 1912 the consumption of silk in Great Britain was £19,000,000 and the imports £13,000,000; in other words, the silk industry, which produced over £21,000,000 worth of silk in 1857, had dropped in 1912 to where it was at the beginning of the century. That, I say, is one of the commercial tragedies of Great Britain, absolutely attributable to the policy of free trade. In the United States they produced in 1850 $1,800,000 worth of manufactured silk. In 1910 they produced $197,000,000 worth, or an increase of eleven hundred per cent. That was done under protection. In 1850 wages in the United States in that industry were $300,000; in 1910 they had increased to $38,570,000. Will any hon. gentleman say that a trade of that kind is not valuable to a country; that an industry of that kind is not desirable? Yet, under the free trade policy that my hon. friend from Red Deer talks so much about, this valuable business was practically wiped out in the old country.

I desire to refer very briefly to the cotton trade. It is well to remember a few facts in connection with the cotton trade in Great Britain. In 1721 the cotton of the world was practically all produced in India and China. Great Britain undertook to produce and manufacture cotton at home; she prohibited the importation of cotton goods from these countries, although at that time or shortly afterwards she controlled the Indian Empire and its production. She prohibited the importation of cotton goods into Great Britain, and speaking of the free trade policy of buying in the cheapest market, she paid more for her cotton manufactured at home than she would have paid for it under other conditions. What did she do? She protected the industry until the middle of the last century, with the result that last year Great Britain shipped $172,000,000 worth of manufactured cotton into India, which at one time was the chief cotton producing country of the world.

We find that early in the century, before protection was raised to a reasonable degree, the United States imported manufactured cotton, although they grew a large amount of raw cotton. We find that in 1850 the manufactured product was $61,000,000, and in 1910 this had been increased to $628,000,000, or an increase of 1,000 per cent in half a century. I wish to show very briefly how Great Britain, since the adoption of free trade, has lost her position of supremacy in the manufacture of cotton. We are inclined to believe still that she holds the premier position in the world in that regard. The figures of the consumption of raw cotton for last year are as follows: Great Britain consumed 19 per cent of the total production; the United States consumed 27 per cent of the total production; Germany 10 per cent, Russia 9 per cent, and Japan 7 per cent, and the rest was distributed in small quantities among other countries. I quote this to show that Great Britain has fallen from the place of absolute control of the cotton industry to the production of only 19 per cent of the manufactured cotton of the world.

We have heard a great deal about the question of taxation. My hon. friend from

Red Deer a few moments ago referred to Great Britain as the El Dorado of the workingman in connection with taxation, cost of living and wages. I desire to place on 'Hansard' some very important facts in regard to this question. I have already stated that Great Britain collected $177,000,000 this year in customs taxes. In the year that Great Britain adopted free trade she collected $4.25 per capita in customs taxes. Last year she collected exactly the same amount, $4.25 per capita, in spite of the increase in population; so that although they have free trade in Great Britain to-day, the customs collections are exactly the same per capita for the country. But from 1904 to the present time she has collected on an average $80,000,000 per year from buildings occupied by manufacturing industries, or an amount equal to 15 per cent of the total manufactured imports of Great Britain. Consider that for a moment. Here is a taxation of $80,000,000 placed upon the industries of the country. Who pays it? It must be paid, it is paid by the people of Great Britain, it is paid by the consumers in other words. Great Britain could have collected the same amount of taxation by placing an import duty on manufactured goods, and thus have protected and helped her manufacturers. She put the tax on them by a taxation on the buildings they occupied. A more false basis on which to rest a fiscal policy I do not know. The taxes on farmers in Great Britain have increased during the last half of the century, or from 1860 to 1910, by 80 per cent; and to bear out that statement I wish to quote from a statement made by Lord Lucas, a Liberal peer:

Lord Lucas speaking at Hitchin, on April 7 last, said:

> I am in a position to announce that it is the intention of the Government to make considerable grants out of imperial taxation to assist the rates in this country and it will be done in the coming Budget.
>
> The Government recognize that the method by which a farmer is assessed upon practically the whole of his stock-in-trade is a very unfair one, and they will try as far as possible to alleviate this injustice by making a very considerable grant towards the rates in the country districts.

That is the statement of a Liberal peer made only a week or so ago. The statement has often been made that customs duties are a very expensive form of taxation to have because it costs a great deal to collect them. I examined very carefully for a number of years the cost of collection in Great Britain of customs and the cost of collection of the excise revenue, that is the income tax and some other taxes such as the succession dues, etc. In 1913, Great Britain's customs revenue was $169,500,000. The cost of collection was $4,200,000 or 2.4 per cent, which is recognized as a very low cost. The inland revenue contributed $410,000,000 at a cost of collection of $9,800,000 or exactly the same rate, 2.4 per cent. But, in addition to merely collecting taxes, the customs officers do the clearing of vessels and many other duties which are indispensable and for which they would have to be employed in any case. I have heard many references to the income tax. My hon. friend from Red Deer is constantly stating that direct taxation is a system that should be adopted. He holds that taxation by a tariff is the most unjust system. I would like to refer him to a statement made by one whom he has set up as a veritable god. I refer to the late Right Hon. W. E. Gladstone, who, speaking on a memorable occasion to which my hon. friend alluded a moment ago, in the Midlothian campaign in 1879, said:

> This, at any rate, is clear—there was a clear stage upon which, on our responsibility, we were ready to repeal the income-tax, and it would have been done with fairness to every class of the community. The Tories came in: the income-tax since then has been raised from 2d. to 5d. in the pound, and when we will get rid of it I do not know. I hope it; but it will be perhaps in the days of your children and grandchildren.

That was Mr. Gladstone's opinion of direct taxation by the method of income tax which the hon. member for Red Deer recommends so highly to this country.

I wish to call attention to the taxation of various countries. The taxation of the United Kingdom is $19.86 per capita. The United States under protection, supposed to be heavily taxed and bearing the awful burdens of which hon. friends tell us, collected $10.25 per capita; Germany $10.58 and Canada $16.63 per capita. That was for 1912. In other words, the taxation of free trade England was 100 per cent. greater than that of Germany or the United States, the high protectionist countries.

Mr. M. CLARK: That, of course, is the federal taxation in the United States.

Mr. STEVENS: Exactly.

Mr. M. CLARK: My hon. friend understands that a great deal done under our taxation is done by our local governments.

Mr. STEVENS: If the hon. gentleman had been in his seat a moment ago, he would have heard me read a statement by Lord Lucas in which he pointed out that the Imperial Government had found the local taxation so burdensome that they were going to provide an additional sum in the Budget to reduce the taxation in the rural districts of England. So we see that the people of Great Britain are finding the rural taxation so heavy as to be almost unbearable, in addition to having to pay imperial taxes. I had some extracts from the London Times on this point which I have apparently mislaid.

I wish to discuss very briefly the question of the debt of these countries. Great Britain's debt is something like £700,000,000. They hold £40,000,000 worth in Suez shares, and the balance is pure unadulterated debt. In Germany the debt is also £700,000,000, but in that country there are several state-owned enterprises bringing in revenue. As an illustration of that let me give the figures for 1909: Germany's state-owned railways produced a revenue of $130,000,000; forests, $14,000,000; mines, $4,500,000; factories, $4,000,000; and agriculture, also under ownership of the Government, $4,000,000; or a total from state-owned industries of $157,000,000. In 1870, Germany was a borrowing country, but in 1907 she had loans out to the extent of $5,000,000,000, bringing in an interest of $300,000,000. That interest was increased in 1912 to $500,000,000. In other words, under protection Germany, in thirty years, changed from a borowing country to a country that was lending foreign countries $6,000,000,000. In savings deposits, which are a good indication of the prosperity of the country, we find that the per capita savings deposit in the United Kingdom is $24.67; in the United States, $46.80; Germany, $62; and Canada, $90. In Germany in 1900, savings deposits amounted to $2,200,000,000, and in 1911 this had doubled to $4,500,000,000. In Great Britain, in 1900, savings deposits amounted to $908,000,000, and in 1911 to $1,140,000,000, or an increase of only 25 per cent. My hon. friend from Red Deer (Mr. Michael Clark) has often referred to the splendid condition of the workingmen in the old country, and has stated that there was no place in Europe where workingmen were better off. What are the facts? Eighty per cent of the wealth of Great Britain is held by one and a half per cent of the population, and 18 per cent of the wealth by 11 per cent of the population; or 98 per cent of the wealth of Great Britain is in the hands of 12½ per cent of the population. That is an indication of how wealth is distributed in a free trade country. Hon. gentlemen talk about combines, and the amassing of wealth by individuals, but there is no country in the world where there is so much poverty among the masses and so much wealth in the hands of a few as in Great Britain. My hon. friend from Red Deer may say that I am

11 p.m.

not very loyal to my native country, but one thing I do regret is that Great Britain ever adopted the policy of free trade. She is rapidly losing the position that she won under the protective policy. I have in my hand a great many figures relating to the increase of the cost of living in various countries, which I will condense as briefly as I can. These figures are given by the British Board of Trade—an authority which I am sure the hon. member for Red Deer will not question. From 1900 to 1912, Great Britain shows an increase in the cost of living of 16⅔ per cent; France, 4 per cent; Germany shows a decrease of 5 per cent in cereals from 1890 to 1910, and an increase in meats, &c., of 1 per cent, and an increase of 5 per cent in textiles; or a very slight average increase in 20 years. Canada from 1890 to 1912 shows an increase of 38 per cent distributed as follows —and this is a point we should consider— in dairy products an increase of 56 per cent; in fish, 52 per cent; animals, 46 per cent; other foods, 6 per cent; farm implements, of which we have heard so much, have increased by exactly 1 per cent. The British Board of Trade Inquiry into the cost of living and wages reported in 1911 as follows:

> In 28 large American industrial cities east of the Mississippi (exclusive of New York) it was found that the hours of labour were 11 per cent shorter in building trades; 7 per cent shorter in printing and allied trades, and about the same in mechanical engineering trades; and that wages were 113 per cent higher in building trades; 132 per cent higher in printing; and 146 per cent higher in engineering trades. Rents are 50 to 77 per cent higher in the United States.

They sum up the comparison as follows:

> The workman's wages are higher in the United States by 130 per cent (over double) with shorter hours, while his expenditure for food and rent is only 52 per cent higher than Great Britain, and unemployment is far less conspicuous than in Great Britain.

Mr. MICHAEL CLARK: Does it say that in the report?

Mr. STEVENS: Yes, that is from the report of the British Board of Trade Inquiry. They further say:

It may be noted also that wages in the United States are higher relatively to the cost of living, with the result that in times of depression earnings may suffer a considerable diminution before the level of actual privation is reached.

I could also quote from the Gainsborough Commission's report. When the hon. member for North Waterloo was quoting from that report the other night the hon. member for Red Deer sent a note over to the hon. member for Humboldt who afterwards pointed out that the report of that commission was totally unreliable. The Gainsborough Commission consisted of workingmen who visited Germany to investigate working conditions there. I shall not quote them. They carry out the statements which I have already quoted from the Board of Trade.

I wish to turn now to another phase of the question and that is pauperism and unemployment. We have heard a great deal regarding pauperism and therefore I would like to give some figures upon this question. These again are taken from the Board of Trade and I would commend them to my hon. friend for his consideration. Germany has 27,399 paupers in the workhouse as compared with a population of 64,000,000. Great Britain has 400,000 paupers in the workhouse as compared with a population of 45,000,000. Great Britain gives annual relief to 700 out of every 10,000 of the population and Germany to 300 out of every 10,000. The percentage of paupers in the two countries in 1903 was: in Germany, 2·7 and in Great Britain, 5 per cent; in 1909, in Germany 2·8 per cent and in Great Britain 7·7 per cent. The average for seven years was 2·1 per cent in Germany and 5·6 per cent in Great Britain, or over double. The hon. member for Red Deer told the House to-night that conditions in Great Britain were the best of any country in Europe.

Mr. MICHAEL CLARK: I never made that statement. The only reference I made to Great Britain as compared with Europe was as to the wages of skilled and unskilled labour and I said that they were the highest in Europe. That is very different from saying that the condition of the country is better. Of course, if it is correct, I would be prepared to say it, but I did not say it as a matter of fact.

Mr. STEVENS: In any case it does not alter what I am about to say in connection with the conditions. My hon. friend has very frequently on the floor of the House pointed out that a most lamentable condition obtained in 1846. He has drawn most lurid pictures of the suffering and starvation of the poorer classes at that time. The Rev. J. A. Macdonald, of the Globe, whom my hon. friend knows very well, on August 28, 1909, gave a very interesting account of his impressions of a trip with the Press Conference to the old country at that time. He considered his statement very carefully before he made it, because he says:

The question has been asked so often that I have taken myself in hand to answer it.

Then he goes on to give his impressions of the industrial conditions of Great Britain and I am going to read the article although it is somewhat lengthy because I recommend it to the study of the members of this House. He says:

It was not Lord Rosebery's speech, brilliant and striking though that speech was. It was not the face or message of any of the statesmen, or pro-consuls or scholars or heroes—Asquith, or Grey, or Haldane, or Morley, or Crewe, or Birrell, or Balfour, or Churchill, or Cromer, or Curzon, or Milner, or Roberts, or French, or Beresford, or Fisher—whose names gave distinction to the programme. It was not the mother of parliaments, or the glory of the church, or the shrined history of Oxford, or the liquid history of the Thames. It was not the splendor of Stafford House, with the charming Duchess at the head of the grand staircase, or the exclusive privileges of Aspley House, or the Lord Mayor's freedom of Mansion House, or the Archbishop's benediction at Lambeth. It was neither Aldershot, with the army, nor Spithead with the navy . . . Frankly, the thing that impressed me most, the thing that stands out as the background of every reminiscence, was the bloodless, mirthless, hopeless face of the crowd. . . The pale and sunken faces of the nameless city crowd haunt one like a weird.

London, Sheffield, Manchester, Glasgow, Edinburgh—each had its distinctive features, but everywhere the marks were deep of disease and degeneracy in body and mind and morals.

In some of the smaller places where industrial percentage is large, or the occupations unhealthy, the blood-poisoned workers present an appearance that to unaccustomed eyes is simply ghastly. Sheffield staggered all the delegates—it is a hive of industry.

The conditions of the poor may be worse in other industrial centres of England, but certainly no delegate had ever seen the like in any white country overseas, or even imagined it possible within the limits of human nature.

What struck every observant delegate was the utter blankness of the faces which looked up at us—stooped shoulders, hollow chests, ash-coloured faces, lightless eyes, and, ghastliest of all, loose-set mouths with bloodless gums, and only here and there a useful tooth.

I consider that somewhat of a libel on the mother country but this is the statement

of the Rev. J. A. Macdonald over his own signature, and written, as he says, after taking himself carefully in hand. It is a statement of the conditions obtaining in the industrial centres of England under the free trade policy which according to my hon. friend, should result in a very high condition of living indeed.

I observe that I must hasten along in my remarks as the hour is getting late and I shall cut out a great deal of what I intended to say. A great many hon. gentlemen opposite have denounced in most unmeasured terms the leading manufacturers and men of industry in this country. One would judge from the remarks which have fallen from their lips during the past week or two that these men were veritable robbers, that they had no interest in the country and that their only object was to fleece the public out of their money. I am just going to draw attention to the importance of the manufacturing industries as a source of the country's wealth which merits our consideration. We find that the production of manufacturing industries in the year 1910 was $1,965,000,000 of which about $200,000,000 was paid out in wages to workingmen. This is an ample indication of the value of the manufacturing industries of this country. I differ entirely with hon. gentlemen who denounce the manufacturer as a person whom we should avoid. I believe that the manufacturer, just as much as the farmer, has his place in this community and has a business to carry on. I believe that the manufacturers, as I have met them, are just as estimable, just as moral, just as good citizens as you will find in any part of the country. Why should we be constantly debating the manufacturer on the floor of this Parliament? It has been said by the very highest authorities on political economy by such men as John Stuart Mill, Adam Smith and others, that a purely agricultural country could never progress to a very high place among the nations of the world. It is no reflection upon the agriculturist, the farmer, to say that from the very nature of his occupation, separated from his fellows by considerable distances, it is impossible to develop the social conditions necessary for the highest culture, education, or the development of art and science. But an ideal country is a country which has manufacturers, which has transportation, which has commerce and which has agriculture as well. The possibility of developing these conditions obtains in Canada to-day in a very marked degree. No other country in the world is richer in natural resources than Canada. We have waterpowers and coal for the development of industries and we also have the greatest area of fertile land probably of any country in the world, so that we have everything necessary to build up a very highly developed country. It is the duty of this Government and of all Governments to stand by a policy which will develop all these various branches of industry in this country.

I wish to speak very briefly in regard to this vexed question of flour and wheat. I shall not touch upon the free wheat side of the question, because it has been so fully discussed already. According to the statements of some hon. gentlemen opposite, the millers are shipping flour to the old land for a figure less than what it can be bought at in this country, and the statement is made that flour which is sold in Montreal at $5.10 a barrel sells in the old country at $4.80 a barrel. The facts are briefly as follows: We produce in Canada four or five grades of flour. First, we have the Top Patent, which is Ogilvie's Household, the Lake of the Woods Five Roses and such grades of flour. This grade is sold almost exclusively on the Canadian market. The largest shipping mill in Canada ships practically none at all of this grade of flour to the old country; out of a shipment of five or ten thousand barrels there might be 100 barrels of Top Patent flour, a practically neglible quantity. Of the second grade, which is No. 2 patent or Strong Bakers' flour, they exported 36 per cent. Then they have a third grade, No. 1 and 2 clear, of which 90 per cent is exported to the old country market. I have here a statement for the month of January, 1914, giving the prices which are being secured:

Grade.	Average sales return comestic business during January, 1914. f.o.b. Toronto	Selling Price to Importers at					Percentage exported in January, 1914
		St. John's, Nfd.	Delagoa Bay	Glasgow	London	Copenhagen	
Top Patent	5·18	5·45	5·64	.....	.....	.....	18
2nd Patent	4·59	.....	5·16	4·41	4·37	4·59	36
Blended	4·51	.....	.....	4·28	4·24	4·49	90
1st Clear	3·91	.....	.....	4·03	3·99	4·22	90
2nd Clear	3·19	.....	.....	3·53	3·49	3·74	80

These are the actual figures of the output of the largest shipping firm in Canada. If we consider for a moment the statements of hon. gentlemen opposite, they answer themselves without any such statements as I have made. It was stated that this flour sold at $6.50 a barrel at Halifax. The hon. Minister of Trade and Commerce covered this point, but I will repeat it for the sake of making it perfectly clear, because he was interrupted at that moment and the trend of his argument was disturbed. The price in Montreal was $5.10 according to hon. gentlemen opposite. The freight to Halifax is 25 cents a barrel which means $5.35 in Halifax. The hon. member for South Cape Breton (Mr. Carroll) stated that the price was $6.50 at Halifax and he held it up as a crime against the millers that they were charging such high prices at Halifax as against Montreal. Let us look at the old country prices which I have just quoted and which are absolutely authoritative. $5.10, he says, is the price in Montreal, but he was quoting the lower grades. The price of these in Montreal is $4.60 which, with 30 cents freight, makes the price $4.90 for export. If the statement made was true that we were charging $6.50 at Halifax, merchants could re-import that flour, pay the freight both ways and the duty, and still the consumer would get it cheaper. The arguments in regard to the export of flour are absurd on the face of them. We export the lower grades, while practically none of these top grades are exported. Our hon. friends opposite have been quoting the figures of the top grades in Canada and of the lower grades on the European market, thus confusing the whole question.

It may be well to draw attention to a condition which obtains in regard to the freight rates from here to the mother country. In 1911, the freight rate on flour was 8·9 cents per cwt.; in 1912, this was raised to sixteen cents. The Association of Millers at London, together with the transportation companies entered into collusion, because they had a meeting no more than four mouths ago in London on this very question, to raise the freight rates on flour to such an extent as to constitute a very adequate protection for the millers of the old country as against the millers of this country. While they are supposed to have free trade and we are supposed to have free access to the old country market, they are just as well protected by this method as our market is protected by our tariff.

The same principle applies to our beef. I think it was in 1884 that an embargo was put against our cattle in the old country. Sir Charles Tupper, who was shortly after our High Commissioner to the old country, investigated the whole situation with veterinary surgeons and others, and found that there was absolutely no reason why this embargo should be put on except to protect the farmers and raisers of beef in the old country. That is the return we get for putting on the British preference. We can hope for very little sympathy from the present Government in the old land in so far as so-called reciprocal relations in trade are concerned. When they had the offer of reciprocity by giving some preference, they absolutely refused to do so, but placed an embargo against our flour and our beef which I consider to be totally uncalled for.

I intended to make a brief comparison of the tariff of President Wilson with our own tariff. I have gone carefully over the figures of the Underwood tariff and I find that about half the articles he has placed upon the free list have always been on the free list in so far as our tariff is concerned. I find also that our tariff is still quite as low as the American tariff, taking it all through on an average.

I wish to say, in conclusion, that it seems to me the Government is wise—in fact I congratulate them upon it more than

upon any other point—in having declared themselves frankly and openly as sustaining the great policy of the Conservative party throughout the history of Canada. I believe this is no time to tamper with the tariff in a downward revision. We have a very moderate tariff. I find that even the hon. member for Red Deer in a speech in this House not very long ago referred to our tariff as being a tariff for revenue only and congratulated the late Finance Minister because he had maintained this as a revenue tariff. Now he says it is an iniquitous protective tariff and seeks to stir up the country against it. Yet for years he sat and supported the right hon. leader of the Opposition when, as head of the Government, he was primarily responsible for this tariff. I find on looking up the records, that the present leader of the Opposition himself was a protectionist in 1879 when the National Policy was introduced and that he declared himself in favour of protection. When he was in office he carried out that principle; and we know, and he knows perfectly well that should the country be so unfortunate as to return him to office, he would still carry on the policy of protection. That is plain in the very amendment he lays before us with its words ' without doing injustice to any class.' In other words: I will do the manufacturers no harm; return me to power and I will do no injustice to you, just as in 1896 I promised not to do you injustice and carried out that promise. They talk of the revision of 1897. Mr. Fielding himself said in his Budget speech on that occasion that he was not going to tamper with the tariff, but that all he was going to do was to remodel the forms of it. And that is all he did do; it was identically the same tariff except for the introduction of the British preference—a very questionable benefit. With this exception the tariff is identical with that passed at the instance of Sir John Macdonald in 1879. I am glad that this Government is determined to carry out this policy, for I believe that it is the only policy under which this country will prosper.

I wish to add a word before sitting down in connection with the statement made regarding the earnings of the Lake of the Woods Milling Company and the Ogilvies Milling Company, which I have before me in the Annual Financial Review. I take it also from the Banking Annual. I find that the Ogilvies Milling Company earned last year 8¾ per cent on its capital. The profit on every barrel of flour ground by the Ogilvies Milling Company was 13¼ cents. When you quote the figures showing $500,000 of a profit, some hon. gentlemen seem to think that a crime. As a matter of fact, I repeat, they earned a profit of 13¾ cents per barrel and 8¼ per cent on the capital of the company. And the Lake of the Woods earned, as I figure it out, 12 per cent on its total capital. Now, these are reasonable earnings, and such as no one should complain of. But you would think, to hear our friends opposite talk, that it was a crime for the industries of this country to be prosperous. For my part I am glad to see them prosperous. And I am glad the condition of this country is improving. I believe we have before us in years to come an era of prosperity that has not been equalled in the history of Canada. I do not mean that we are to have an era of speculative prosperity, but of real prosperity for the industries of the country, for the farmer, for the artisan and for all classes of our people.

Mr. GEORGE H. BOIVIN (Shefford): Mr. Speaker, at this late hour, when the members from all over Canada are patiently waiting an opportunity to express by their votes the opinions of their constituents upon the amendment presented this afternoon by my right hon. leader (Sir Wilfrid Laurier), I do not propose to delay the proceedings by making a long speech. I must, however, express my regret that the hon. member for Vancouver (Mr. Stevens) is unable to agree upon the question of free trade or protection for his native country with such great men as Asquith, Gladstone, Codben and Peel. But if I were to place these four on one side of the balance and the hon. member for Vancouver on the other side, I fear that they would prove to have the most weight. I congratulate the hon. member upon the able manner in which he repaired in his own mind and perhaps in the minds of his colleagues on his side of the House the enormous mistake made this afternoon by the hon. Minister of Trade and Commerce (Mr. Foster). I wondered, when I heard him make the statement during his speech what the hon. Minister of Trade and Commerce would do if he had not the hon. member for Vancouver to put him on his feet every time he made a mistake. Also, I congratulate him sincerely upon the able manner in which he has repeated all the arguments we have heard here again and again in favour of protection and high tariff. And now, Mr. Speaker, I will proceed to repeat a few of the arguments advanced by many able speakers on this side in favour

of a revised tariff, free wheat and free agricultural implements. It would be impossible at this late stage to say anything very new upon the subject before the House, but what our friends opposite would considerably enjoy would be a speech or two from some Conservative members from Manitoba, Alberta or Saskatchewan who would come out openly against free wheat and free agricultural implements. They dare not speak in favour of the Conservative tariff policy, and they dare not vote against it. Some Conservative members from Manitoba should at least demonstrate to the Minister of Finance and his colleagues that the Conservatives in the Manitoba Legislature are not free traders. The Minister of Finance says that every one who is in favour of free wheat is a free trader, that free wheat means free trade. Some Conservative member from Manitoba should have taken issue with him and demonstrated that the Conservatives of Manitoba are not free traders. That should not be a difficult task, because no one believes that statement that free wheat means free trade, except the Minister of Finance himself. And I would say that even he does not believe it, if you had not ruled a few days ago, Mr. Speaker, that such a statement would be absolutely unparliamentary. For that reason and for that reason alone, I place the Minister of Finance in a class by himself. It is for that reason only that I admit that he is the only person in this country who believes that the hon. member for Brandon (Mr. Aikins) who made a speech in favour of free wheat is a free trader. When that Conservative member for Manitoba has convinced the Finance Minister that he has made a mistake, he will still have a more difficult task left, and that will be to convince the intelligent farmers of Manitoba and western Canada that they are not intelligent enough to know what they really want, and that it would be a terrible thing for them to have three markets in which they could dispose of their wheat instead of only two. The hon. member for Vancouver says he is a protectionist. I regret that in the arrangement of speakers it should be left to me to reply to his strong arguments not in favour of the people whom he represents, but in favour of the interests who placed our friends opposite in power. I am not able to reply to each and every argument as eloquently as many hon. gentlemen upon this side of the House have replied to them, but I will say that the most eloquent and the most convincing reply that he and the Minister of Finance could possibly receive was the applause of his fellow Conservatives, who made the walls of this old Chamber re-echo their cheers again and again when he told you, Mr. Speaker, that he had gone the Liberals one better on the road to free trade and reduced the customs duty on reapers, mowers and binders two and one-half per cent lower than the Liberal party had proposed to reduce it under the nefarious reciprocity agreement of 1911. I thought at the time that if a reduction of five per cent in the duty on reapers and mowers could create so much enthusiasm in the protectionist party behind him, that a reduction of ten per cent on all implements would have so gladdened the hearts of all his followers, with the possible exception of Sir Melvin Jones and the hon. member for Brantford, (Mr. Cockshutt) that they would be cheering yet.

I do not by any means contend that the Conservative party is a free trade party any more than I contend that the Liberal party is a protectionist party, but I do say that if it were not for the necessity of being unanimous; if it were not for the interests which placed them in power; if it were not for the interests which helped form the Cabinet; if it were not for the interests upon which they count to remain in power, their spontaneous and unbiased enthusiasm at the news of a tariff reduction; their absolute lack of applause at the news of a tariff increase, is absolute proof that they would be in harmony with us in our desire to help the Canadian farmer by giving him, at the lowest possible price, the plant which he requires, to develop the great industry of agriculture upon which the whole superstructure of our other Canadian industries depend. They would, as we will before long, go one step farther and, give the western farmer an extra market and a higher price for his produce, thereby increasing his wealth and purchasing power, increasing the population upon our boundless western prairies, increasing the resultant demand for the products of our eastern industrial establishments, increasing the population of our eastern cities without driving our farmers' sons from the soil to the workshops; increasing the home market for the supplies of the eastern mixed farmer, increasing the demand for fish from the provinces by the sea and making instead of a divided Canada, a greater and more prosperous nation.

Since the beginning of this debate I have

listened attentively to every Conservative speaker; I have read those speeches which I did not have the pleasure of hearing and, with the exception of that of the ex-Minister of Finance, the hon Minister of Trade and Commerce (Mr. Foster) I have not yet found one which did not contain its quota of incense and flowers for the hon. Minister of Finance. He himself, of course, paved the way for all this praise by telling you, Mr. Speaker, that he knows something about a balance sheet when he sees one. Let me follow the good or bad example of hon. gentlemen opposite and compliment him upon not only knowing something about a balance sheet when he sees one, but of knowing how to make a good looking one when he needs one.

The hon. gentleman desired to show a surplus in this year of all years when a deficit might very properly synchronize with hard times and would be entirely justifiable. He began by keeping up the tariff as high as though everyone had money to burn, making the farmer and the labourer pay into the coffers of the Government his last cent in customs duties and then mortgage his farm in one case or beg for bread in the other and by this means collected from the people the sum of $163,000,000. He has spent, no one knows precisely how much, but he decides to charge to consolidated fund expenditure the sum of $126,500,000 and there remains a surplus of $36,500,000. His followers cheer unanimously; they shower compliments upon him to such an extent that a disinterested spectator would almost think that he had taken off his coat, gone out and earned the money and given it as an Easter offering to the people of Canada.

But what becomes of the rest of the expenditure, the public buildings built, the railway subsidies which include $15,000,000 for the Canadian Northern, now asking for more, the interest paid upon the public debt, the loans repaid, the advances made to the Montreal and Quebec harbour commissioners and the money spent in September last upon the ice-breakers in the Chateauguay river in the county of Chateauguay? They would annihilate the surplus, so he differentiates between these expenditures and the others and charges these to the capital account. In this way they do not count, but when Canada wants to know how much she owes, her bookkeeper and balance-sheet maker has to answer $502,000,000, nineteen million more than we owed at this time last year. We have had a prosperous year in spite of the hard times. We only owe $19,000,000 more than we did last year. Allow me right here, Mr. Speaker, to say that if it had not been for the members of the Liberal party in the House of Commons and in the Senate during the past year; if it had not been for their untiring efforts to chase away the clouds that darkened and the lightning that brightened the horizon of the hon. Prime Minister and made him find an imaginary emergency where none existed, the head bookkeeper would have been obliged to charge $35,000,000 more to the capital account or practically wipe out his surplus, and our debt would have been $537,000,000, or $54,000,000 more than it was in March, 1913. The hon. Finance Minister would have been more worthy of praise if he had put the brakes upon some of the spending departments of the Government, notably the Department of Public Works, which spent $10,818,832.05 in 1911, and asks for $28,330,048.89 for the year which has just begun, and the Department of Militia, where furs and feathers, gold lace, automobile rides in Europe and other expenses will cost this year $10,867,000, exactly $4,000,000 more than they did in 1911 when this great spending party arrived in power and this without counting the $186,900 spent by the department under the head of Civil Government and $2,315,000 included in the public works estimates for armouries and drill sheds, a total of $13,368,900.

The words, 'dash away and spend the money,' were eliminated from 'Hansard,' but, what is worse for the people of Canada, they are put into constant practice by the Government. 'To spend or not to spend' is never the question with hon. gentlemen opposite, and just so long as the people of Canada remain indifferent to their own interests and until they banish this Government from power, they will have to pay through customs and excise duties all the money that the hon. Ministers of Public Works and Militia may desire to spend.

With these few remarks upon the financial part of the Budget speech, allow me, before passing on to the method of collecting this vast amount of revenue, to congratulate once more the hon. Finance Minister and to shower upon him my share of flowers and incense, upon his ability to make a good-looking balance sheet when he needs one.

Many of the Conservative speakers during this debate have ridiculed free trade. They have used several arguments against it, but the two most reasonable and most important arguments are that our infant industries require protection, and that our Finance Minister requires a tariff to pro-

vide revenue for the use of the spending departments of the Government.

Let us take the second argument first. Like my right hon. leader I believe we require a tariff for revenue purposes. The ministers of the present Government and many of the speakers opposite say that absolute free trade means direct taxation, and I am inclined to believe they are right. But is it any wonder they fear anything and everything that would lead to direct taxation? Just think of the Hon. Col. Sam. Hughes taxing every man, woman and child twenty-five cents to pay his expenses upon an automobile trip through Europe, one dollar to build a large drill-hall here or there, or two dollars to send the school children of Canada to camp. Just think of the Hon. Mr. Rogers taxing every man, woman and child one dollar or two dollars each to build a monument to the hon. Postmaster General, for instance. How long would they remain in power? Until the next general election but not a moment longer. The people pay these expenses by indirect taxation, they will continue to do so upon the ground that the Government needs the revenue. Let us consider upon what articles this customs duty should be imposed. We agree that in collecting this revenue we should protect our infant industries. We have in Canada to-day many industries, some infants and some promising youths, some advanced in years but still in need of protection, but when those manufacturers prove to Canada and to the world that they can manufacture their products cheap enough to compete with the factories in the great republic to the south of us and compete with them in their own and foreign markets, we on this side of the House claim it is time to lift part of the weight from the shoulders of the Canadian farmer and allow him to go into the United States if he likes and buy a harrow, plough, rake or binder manufactured in Canada cheaper than he can get it at home without being obliged to place a sum representing seventeen or even twelve per cent of the purchase price in the hands of a customs official.

In 1911 our hon. friend the Solicitor General made a very good speech in favour of a reduction of the duty on agricultural implements. It was not to be a reduction of 5 per cent on binders and mowers; it was to be a substantial reduction. In moving for this substantial reduction, he said that the effect of the tariff on agricultural implements upon revenue was to benefit the revenue of other countries rather than of our own country. He went on to say:

> As at present constituted this is not so much a tariff for the revenue of Canada as a tariff for the revenue of Spain, as a tariff for the revenue of Austria. In Austria the manufacturers of binders and mowers are able to leap over a duty of some $33 on every binder, and yet they sell at a profit in Austria. It is, Sir, a tariff for the revenue of Roumania, a tariff for the revenue of Russia, a tariff for the revenue of France rather than a tariff for the revenue of Canada.

Further he said:

> It means that this is an additional Chinese wall, if you may call it such, that this Government has seen fit, in violation of every principle of public honour and of its own, to hedge round the manufacturers of the articles I have mentioned, and which enables them to make a profit after leaping over these tariff walls of considerable height in all these countries.

To-day he is the Solicitor General. To-day he says that the Cabinet and the party behind the Cabinet must be unanimous, and for that reason he is willing to abandon the rights of his constituents in the constituency of Portage la Prairie and to say that a reduction of 5 per cent on reapers and mowers, in other words, that the knocking off of one or two bricks from the top of this Chinese wall is all that the western farmer requires. Does the knocking off of these two or three bricks from the top of this wall, does this reduction of 5 per cent mean that the farmers of western Canada are going to buy mowers and reapers cheaper than they are buying them now? There was a cheer of delight from the party sitting behind the Minister of Finance when he announced that the duty would be reduced by 5 per cent, but we have not yet heard the cheers or the echoes of the cheers of delight from the farmers of Canada who wanted free wheat, who wanted free agricultural implements of all kinds and who got nothing at all. I say that they have got nothing at all for two reasons. If they received the benefit of 5 per cent on reapers and mowers, as the hon. member for Assiniboia (Mr. Turriff) said, it would only mean ninety cents a year to the most prosperous farmer. The Minister of Finance pointed out in his Budget speech that the only firms in Canada making reapers and mowers are the International Harvester Company, the Massey-Harris Company, the Frost and Wood Company, of Smith's Falls, and the Noxon Company, of Ingersoll. These concerns manufacture on both sides of the

line, and have practically a monopoly of the implement business so far as reapers and binders are concerned. They control prices on both sides of the line. Do you think, Mr. Speaker, that the American International Harvester Company or the American Massey-Harris Company is going to ship its goods here to compete with its Canadian branches? What will happen is that they will raise their prices in the United States to a sufficient figure to leave the Canadian price the same as it is to-day, so that the Canadian farmer, in spite of this reduction of 5 per cent, will be obliged to pay the same price he has always paid for his ploughs, his harrows, his rakes, his cultivators, his manure spreaders, his threshers, his reapers and mowers. But the Conservative politicians and campaigners will be able to tour through the West and say the Conservative Government has done something for the farmer reducing the duty on reapers and binders by 5 per cent. The reduction in agricultural implement duties may mean free trade. That is what the Minister of Finance said in 1911 about the reciprocity pact. I am sure, however, that if he considers himself a free trader because he has given this reduction on implements, the farmers of western and eastern Canada will say: From such free traders as this, O Lord deliver us. He is not a free trader, and in his Budget speech he repeated his declaration of allegiance to the tariff policy of Sir John A. Macdonald. He is in favour of protection for all Canadian industries, and, above all, protection for the basic industry of agriculture. We are all protectionists in a way. Protection does not always mean a protective tariff. We on this side of the House stand for that protection which protects, and not for the protection which kills. If refusing free wheat and free agricultural implements is protection for the Canadian farmer, I am sure that it is a protection which he does not appreciate and does not want. Let us for a moment imagine the magnates of any Canadian industry coming in a delegation to the office of the Minister of Finance and saying to him: We are manufacturing goods at such favourable prices that we can not only supply the entire Canadian market, but we want to send our goods outside of this country, and want your assistance to that end. What would these magnates think if the Minister of Finance replied: All right, gentlemen, we will put an export duty on your goods, or at all events leave on your goods the export duty that is already there? I claim that the refusal of the Finance Minister to give free wheat to the Canadian farmer is equivalent to a refusal to remove the export duty on Canadian wheat which now exists. It is worse than an export duty, because when an export duty is imposed on an article, the money is paid into the coffers of our own country. But in this particular instance our farmers cannot sell their wheat in the United States without losing the amount of the duty. I claim that they are paying an export duty into the coffers of the American Government, and it is that duty which we are asking the Finance Minister to take off, because the Canadian farmer has more goods than the home market requires. That request has been refused. Did the Minister of Finance go to the farmers and ask them how much money they were making? Did he examine their books? No, he went to the millers and the railway companies and asked them if the Canadian farmer needed free wheat. In spite of the fact that every Canadian farmer wants free wheat, the railway men and the Canadian millers say he does not require it, and the Minister of Finance bows to their will. For the purpose of pleasing three or four rich and influential friends he turns down the request of the farmers of the western prairies. Why does he do so? Is it really going to hurt our railways to give the farmers free wheat? Is it not the desire of everybody in this House to encourage the right class of immigration, to people the western prairies with immigrants who will draw from Canadian soil the wealth that will make Canada great and prosperous. Is it not the wish of the railway companies that that immigration should flow in in great streams, so that they can transport the immigrants and their effects to the West and keep on transporting goods to them in the West. Those immigrants would begin by wanting material to build their homes, and they would end by buying the luxuries which they can afford when they get a decent price for their wheat, and cheap agricultural implements. Is not that the wish of every eastern manufacturer who knows that there is more money in an increased output and moderate profits than there is in a

high tariff with closed factories. When the American market is open to the western farmer it does not mean that he will ship all his grain there. He will not be obliged to sell everything that he has to sell to the United States, but it will mean that he will have three markets instead of two: the home market, always the best; the English market, and the American market. The wheat which he will ship to eastern Canada and to Great Britain will be carried over Canadian railways from the West to the East. A great portion of that going to the United States will be for the New England states, not for the western states where they grow their own wheat. The population in the eastern states is dense and they will need our wheat for flour; and if freight rates are the same in Canada as in the United States—and if they are not they should be made the same—there is no reason why that wheat should not travel from West to East over Canadian railways. The Minister of Finance in the Budget speech made a comparison with the Underwood tariff. He says that in the United States the average tariff is twenty-six per cent, that the average is the same on one side of the line as it is on the other. That is an argument for the hustings and not an argument for the Canadian House of Commons. The weak point is that it does not take the free list into consideration at all. He compares the average duty on steam locomotives, typewriters, pianos and gramophones in the United States with the duty which the Canadian labourer has to pay upon his bread, butter, meat and flour and then arrives at the illogical conclusion that the tariffs of Canada and the United States are the same. In one breath he says that it is wrong to revise our tariff to meet the tariff of the United States. In the next breath he prides himself upon copying it and keeping the same average. For one reason he keeps the tariff on wheat and for the other he refuses to reduce the tariff on wheat. He talks about protection to the farmer. Protection to the farmer when he refuses to give him free agricultural implements? Protection to the farmer when he refuses to give him an extra market for his wheat? Does he mean protection for the eastern farmer? Does he, like the hon. member for Chateauguay (Mr. Morris), consider that the western farmer does not deserve to be honoured by that name? Does he even give protection to the eastern farmer? The eastern farmer is a purchaser of flour and he is a seller of the products of mixed farming. He cannot export to the United States or to western Canada, and he must sell his produce in his own market where it can be delivered to the people in good condition and it is only by increasing the population of western Canada that the home market can be increased and that the eastern farmer can be benefited.

12 p.m.

To make my point more clear, let me say that the market for the eastern farmer, with the exception perhaps of the dairy products and the cattle which he ships away, for the products of mixed farming is the village, the town and the city of eastern Canada. The village, the city and the town of eastern Canada are, as a general rule, manufacturing centres. This year in the city, the village and the town in eastern Canada, the factories are closed and the men are out of work because there is no demand for their products by the western farmer. If the men are out of work they are unable to buy the produce of the farmer in the east. I say without fear of contradiction that if the western farmer is benefited, if the population is increased upon the prairie, the eastern farmer will be benefited by having a home market for his mixed farm produce and that everybody in Canada will be happier and wealthier. Adam Smith, who has been frequently cited on the other side of the House, once said:

> The annual produce of land and labour of any nation can be increased in its value by no other means than by increasing the number of its productive laborers or the productive power of these laborers.

We agree with that statement and it is to increase the number of productive labourers in Canada, and to increase their productive power as well, that we are in favour of free wheat and free agricultural implements. We believe that from our fertile western prairies more wealth can be extracted and that this wealth so extracted from the virgin soil of Canada will make Canada a wealthy and prosperous country. We want to increase production because it means wealth and prosperity and happiness to our people. To do so we propose to remove the export duty which keeps our farmer from selling in the United States market and we propose to remove the duty from the agricultural implements required to till the soil. We are in favour of a tariff for revenue and we are in favour of protection for every Canadian industry which requires protection but not for those which do not require it. We are blamed by hon. gentlemen opposite for having pro-

tected these industries during the past fifteen years. We gave them protection for fifteen years and we will continue to give them protection if they can prove to us that they require it, and we will give them that protection without hurting the other classes in Canada.

The Minister of Finance asked us to throw down the gauntlet. This afternoon my right hon. friend the leader of the Opposition threw it down. I say to hon. gentlemen opposite: Pick it up and hasten the day when the people of Canada can decide between Borden and Laurier. The life of a man or party that never knew a failure would miss much. Such a life in mercy was not given to the party opposite. It has had its share of failures in the last seventeen years; it has had another failure in the present Budget speech which satisfies neither consumer nor manufacturer nor farmer. We met with one failure at the polls in 1911 when we attempted to stem the tide that later brought hunger and misery to many a home. Think of the spectacle the other day in the city of Montreal where thousands and thousands of unemployed assembled in response to a call of the mayor who had promised them employment. A photograph of these thousands of men seeking employment, ready to take a pick and shovel at $2 or $2.25 per day, is an answer to the argument of hon. gentlemen opposite who claim that our country is prosperous and that we, the Liberals, are the only ones who are preaching that it is not prosperous. A more eloquent answer than that could not be given. We admit that in trying to stem this tide we met with a failure but as Edmund Vance Cooke puts it:

> What is a failure? It's only a spur
> To a man who receives it right,
> And it makes the spirit within him stir
> To go in once more and fight.

Just twelve months ago we were willing to go out and fight; just twelve months ago the hon. member for Portage la Prairie (Mr. Meighen) introduced the closure resolution which, with the aid of your interpretation of the new rules, Mr. Speaker, gave his party a lease of power of three more years. He was rewarded with an appointmnt to the high position of Solicitor General. If he could now invent some rule to amend the Canadian constitution and stave off the fatal day for a few more years, he would undoubtedly be given the position of Prime Minister of Canada. But to stave off the fatal day beyond the stated term of five years is a task to which his ability is unequal, a task which he cannot accomplish.

The gauntlet has been thrown down. The hon. Minister of Trade and Commerce (Mr. Foster) has pretended that he did not understand the issue as contained in the amendment proposed by my right hon. leader. He has already commenced, true Conservative that he is, to distort the meaning of our policy in an effort to combat it more easily. It is the same old story, the same old guerilla warfare, but the people of Canada will not again be taken in by arguments levied at a policy which does not exist. They will read the amendment which pledges the Canadian Liberal party to free wheat, free agricultural implements for the farmer, cheaper food for the labourer, and a reasonable protection to those Canadian industries which require protection.

The manufacturer from eastern Canada, who prefers a large output and reasonable profits to a high tariff and a closed factory, the farmer who wants an extra market for his wheat and cheaper agricultural implements to produce that wheat, the railway magnates who are anxious to transport thousands and thousands of settlers to the farm lands of western Canada, the labourer who wants steady employment and something more than dried bananas and dessicated cocoanut in his dinner pail and on his table, will all wend their way to the polls to register their votes with one slogan, with one thought uppermost in their minds: 'We'll send Laurier back to power.'

The House divided on the proposed amendment of Sir Wilfrid Laurier:

YEAS:

Messrs.

Boivin,	Laurier (Sir Wilfrid),
Bourassa,	Loggie,
Brouillard,	McCoig,
Carroll,	McCrea,
Carvell,	McKenzie,
Chisholm (Antigonish),	McLean (Sunbury),
Chisholm (Inverness),	McMillan,
Clark (Red Deer),	Marcile (Bagot),
Cruise,	Martin (Montreal),
Delisle,	St. Mary's),
Demers,	Neely,
Devlin,	Oliver,
Ethier,	Pacaud,
Fortier,	Papineau,
Gauvreau,	Pardee,
Hughes	Power,
(Kings, P.E.I.),	Proulx,
Knowles,	Sinclair,
Kyte,	Thomson (Qu'Appelle).

Lachance,
Lafortune,
Lanctot,
Lapointe (Kamouraska),
Lapointe (Montreal, St. James),
Tobin,
Truax,
Turgeon,
Verville and
Warnock—46.

NAYS:

Messrs.

Achim,
Alguire,
Ames,
Armstrong (Lambton),
Armstrong (York, O.),
Arthurs,
Ball,
Barker,
Barrette,
Beattie,
Bellemare,
Bennett (Simcoe),
Best,
Blain,
Blondin,
Borden,
Boulay,
Bowman,
Boyce,
Boys,
Brabazon,
Bradbury,
Burnham,
Clark (Bruce),
Clarke (Wellington),
Clements,
Coderre,
Cromwell,
Davidson,
Edwards,
Elliot,
Foster (Kings N.S.),
Foster (Toronto, N.),
Fowler,
Fripp,
Garland,
Gauthier (Gaspe),
Girard,
Glass,
Green,
Guilbault,
Hanna,
Hartt,
Henderson,
Hughes (Victoria, O.),
Jameson,
Lalor,
Lavallée,
Lewis,
Macdonell,
McKay,
McLean (Queens P.E.I.),
McLeod,
Merner,
Middlebro,
Mondou,
Morphy,
Morris,
Nantel,
Nicholson,
Nickle,
Paquet,
Paul,
Reid (Grenville),
Robidoux,
Rogers,
Schaffner,
Sevigny,
Sexsmith,
Sharpe (Ontario),
Shepherd,
Smith,
Smyth,
Stanfield,
Steele,
Stevens,
Stewart (Hamilton),
Stewart (Lunenburg),
Sutherland,
Thoburn,
Thompson (Yukon),
Thornton,
Tremain,
Walker,
Wallace,
Webster,
White (Renfrew), and
Wright—88.

PAIRS:

Ministerial.	Opposition.
Fisher,	Gauthier,
Taylor,	White (Victoria),
Weichel,	Ross,
Forget,	Bureau,
Carrick,	Cardin,
Wilcox,	Reid (Restigouche),
Crothers,	Pugsley,
Meighen,	McNutt,
Bristol,	Bickerdike,
Barnard,	McCraney,
Burrell,	Douglas,
Cochrane,	Graham,
Hazen,	Michaud,
Kemp,	Robb,
Lancaster,	Guthrie,
McCurdy,	McLean (Halifax),
Rhodes,	Macdonald (Pictou),
Sharpe (Lisgar),	Buchanan,
Clare,	Cash,
Northrup,	Lovell,
Wilson (Wentworth),	Wilson (Laval),
Rainville,	Seguin,
Doherty,	Marcil (Bonaventure),
White (Leeds),	Emmerson,
Pelletier,	Lemieux,
Perley,	Murphy,
Roche,	Nesbitt,
Aikins,	Turriff,
Chabot,	Beland,
Currie,	Law,
Marshall,	Clarke (Essex),
Morrison,	Richards,
L'Esperance,	Champagne,
Munson,	Boyer,
Osler,	Gordon,
Bennett (Calgary),	Molloy,
Baker,	Kay,
Cockshutt,	Charlton,
Hepburn,	German,
Broder,	Martin (Regina),

Mr. NESBITT: I was paired with the hon. Minister of the Interior. Had I voted I would have voted for the amendment.

Mr. EMMERSON: I was paired with the hon. Minister of Finance. Had I voted I would have voted for the amendment.

Mr. MARCIL: I was paired with the hon. Minister of Justice. Had I voted I would have voted for the amendment.

Mr. MICHAUD: I was paired with the hon. Minister of Marine and Fisheries. Had I voted I would have voted for the amendment.

Mr. PERLEY: I was paired with the hon. member for Russell. Had I voted I would have voted against the amendment.

Mr. NORTHRUP: I was paired with the hon. member for Stanstead. Had I voted I would have voted against the amendment.

Mr. CHABOT: I was paired with the hon. member for Beauce. Had I voted I would have voted against the amendment.

Amendment negatived, main motion agreed to, and the House went into Committee of Ways and Means.

Progress reported.

On motion of Mr. Borden, the House adjourned at 12.38 a.m. Friday.

Friday, April 24, 1914.

The House met at Three o'clock, the Speaker in the Chair.

THE PRUDENTIAL LIFE OF CANADA.

Mr. W. F. NICKLE (Kingston) moved:

That the Order of the House of 22nd April, 1914, authorizing the refund of fees paid on Bill No. 150 (letter H-2 of the Senate), an Act

to incorporate the Prudential Life of Canada, be rescinded, and that that portion of the sixth report of the Select Standing Committee on Banking and Commerce, reporting the preamble of the said Bill as not proven, be referred back to the said committee for further consideration.

Some hon. MEMBERS: Explain.

Mr. NICKLE: It is perhaps fair that in moving this motion I should mention some of the circumstances surrounding this legislation. The Prudential Life Assurance Company, a company incorporated under the laws of Manitoba, desires this legislation from this Parliament. It is opposed by the Prudential Life Insurance Company of America, a company that took its name from the British company of that name, and which has been doing business in the United States for about twenty-seven years. The American company was licensed by the Finance Department of the Dominion of Canada in 1909. The Canadian company was incorporated by Manitoba in 1902, but did not begin business until 1907. However, in the year 1907 the Canadian company started business in Manitoba, Saskatchewan, Alberta, British Columbia, and further it extended its business to New Brunswick in the year 1910. The reason this legislation is desired is, that owing to the diversity of the provincial laws regarding insurance, the company finds that under its provincial charter it is practically prohibited from carrying on its business throughout Canada as a whole.

Sir WILFRID LAURIER: What is the object of the legislation sought from this Parliament?

Mr. NICKLE: The legislation sought from this Parliament is to give Dominion incorporation to a company that hitherto has had only provincial incorporation, so that the company may be enabled to do its business throughout Canada rather than be restricted to certain of the provinces. The Bill introduced this year in the Senate was introduced in the House of Commons last year, and passed successfully through the committee stage and through the House, but it was stopped when it reached the Senate. This year, to overcome any fundamental objection, the promoters of the measure introduced it in the Senate, where it was successfully passed. It was then introduced in this House, and was referred to the Committee on Banking and Commerce. The promoters of the Bill were somewhat surprised, when the measure came before the Banking and Commerce Committee, to find that for some inexplicable reason—or perhaps, Mr. Speaker, I should recast that sentence and say that for reasons they had not foreseen, a phalanx of members were gathered there, and for one cause or another opposed the legislation going through the Banking and Commerce Committee.

Various objections were offered to the Bill, and perhaps it is fair that I should summarize these. One was, that confusion would result from another company bearing the name 'Prudential' getting legislative sanction from this Parliament. May I direct your attention, Mr. Speaker, to this difference between the name of the American company and the name of the Canadian company. As I have said, when this Canadian company was authorized by Manitoba to begin business, the name was the Prudential Life Insurance Company; the name of the American company being the Prudential Insurance Company of America. That there might be no confusion, the promoters of the Canadian legislation signified their intention to change the name, so that the new name would be 'The Prudential Life Company of Canada.' There would then be this fundamental difference between the two names: the American company would have as an affix the words 'of America' while the Canadian company would have as an affix the words 'of Canada.' The American company would carry the word 'insurance' and the Canadian company would be described as a 'life' company.

For reasons that met the approval of the committee, however, the Bill did not yesterday successfully get through the Banking and Commerce Committee. Objection was further made that it would be an offence against international comity that a Canadian committee should give legislative sanction to a company whose name was so similar to that of an American company; that as the American company had first made application to the Dominion Parliament for authority to conduct its business in Canada, it would be improper that a provincial company should now be recognized. I might say, in passing, speaking of the possible confusion of names, that I find on looking up the record that we have in Canada doing business the Mutual Life Assurance Company of New York, and that we also have the Mutual Life Assurance Company of Canada. We have the Travellers Life Assurance Company of Canada and the Travellers Life Assurance Company of Hartford. That legislation was piloted

through this Parliament by the junior member for Halifax (Mr. A. K. Maclean). We have the Phoenix Assurance Company of London and the Phoenix Assurance Company of Hartford. When application was made by the Sun Life Assurance Company of Canada to the English authorities to carry on business in England, they consented, although there was a British company carrying on business under the name of the Sun Life Assurance Company, to let the Canadian company do business in England if the words 'of Canada' were added to their name. Therefore the Sun Life Assurance Company of Canada is doing business in England to-day.

Objection was also raised that the American company was the big company and the Canadian company was the little company, and that the big company should have the advantage and the little company procure another name. That hardly seems to be fair. The Canadian company had the western sphere of business entirely to itself from 1907 to 1909. The American company then entered the field of operation, and they now say: Although you came first and had provincial incorporation; yet, because we were first in Dominion license, you should be stopped from extending your business. The name 'Prudential' to the small company in the West certainly means more to it than the name 'Prudential' to the American company, with its extensive ramifications and business connections. To show how this small company has prospered, the following figures will show the growth of its business from 1908 to 1913:

Date.	Business in force.
On June 30, 1908	$1,311,500
On Dec. 31, 1908..	2,230,000
On Dec. 31, 1909..	3,321,083
On Dec. 31, 1910..	2,277,028
On Dec. 31, 1911..	6,294,464
On Dec. 31, 1912..	7,576,631
On Dec. 31, 1913..	8,617,015

Mr. SPEAKER: It seems to me that the hon. member is extending the discussion beyond reasonable grounds upon a motion to refer a Bill back to the committee.

Mr. NICKLE: I have not the slightest intention of trespassing upon the patience of the House; but if any other method can be suggested to me than that which I am at present adopting, I shall be very pleased to carry out the suggestion.

Mr. AMES: Are any new facts to be presented to the committee for consideration?

Mr. NICKLE: The facts as they were laid before the committee yesterday I think cannot be amplified if the Bill goes back to the committee; but the legislation is of such an important character to the company involved and the throwing out of a Bill simply for the preamble not being proven on the ground that the name is not satisfactory is such an unusual proceeding that I think the Bill should be referred back to the committee for further consideration in the hope that a favourable decision may be reached. Last year, without a murmur, the House of Commons passed this legislation and the Senate killed it. This year the promoters introduced the Bill in the Senate, believing that once it passed the Senate it would safely pass this House. Suddenly without a word of warning, the Bill is stopped by the same committee and the same House of Commons that last year allowed it to pass without a murmur.

Mr. AMES: Are there any provisions outside of the name which the company believe to be necessary for them to carry on their business?

Mr. NICKLE: The only provision, I understand, is the power to increase the capital.

Mr. BOYCE: The motion made by my hon. friend from Kingston to refer this Bill back to the Banking and Commerce Committee is of a somewhat unusual character and one not usually pursued in this House. The House having committed a Bill to one of its committees and that committee, as my hon. friend has stated, with a phalanx congregated there, that is, with an unusual number of members, having deliberated on the Bill and having reported, it would be a most unusual practice for the House, without a single reason being shown beyond the charge made by my hon. friend that the committee has decided wrongly, to order the recommittal of the Bill to the committee. I entirely agree with your ruling, Mr. Speaker, that it is not proper now to go into details of the case. The Banking and Commerce Committee was represented on that occasion by the largest number of members it has had this session; and during the greater part, if not the whole, of two hours, this question was debated pro and con. The hon. Minister of Finance was present and gave his advice to the committee; my hon. friend himself and his cohorts and his phalanx of members gave their views, and the judgment of the committee was unfavourable to my hon. friend. Under such circumstances, it would be con-

trary to the usual practice of this House and a slight upon the dignity of the Banking and Commerce Committee that this Bill should be relegated again to that committee for its consideration, without its being shown that there was a mistrial, that there was a paucity of members; that there were points which were ill-considered or not considered. During the ten years that I have been in the House I remember only one case where a Bill was so dealt with, and that was a case where it was alleged—my right hon. friend the leader of the Opposition will bear me out—that there was such a small representation upon the committee and that there were certain facts not considered by the committee that it was open to the House, in the exercise of its discretion and in the fullness of its power, to relegate that Bill to the committee, which it did. Therefore I consider it would not be an exercise of the judicial or proper discretion of the House to treat the Banking and Commerce Committee in such a way in this case. That committee having digested and disposed of and decided the whole question, it ought not to be again burdened with the consideration of the matter. Therefore I for my part shall strongly oppose and, if necessary, vote against the motion of my hon. friend.

Mr. MEIGHEN: Possibly the fact that in the previous session of Parliament I had charge of the Bill now under consideration would justify a word or two upon my part. It may be that the ruling is correct; I question it not, that the merits of the Bill are not under review at the present time, and it may be that the hon. member for West Algoma is within his rights in saying that some special consideration should in the ordinary course be present in the mind of the House before it would be justified in referring the Bill back to the committee. In my experience in the House, though, I have never been able to detect any rule that the House has come to in the way of determining what these considerations shall be or how compelling they shall be before a Bill be committed back. Every Bill is treated, and I think should be treated, and every Bill for reference back should be treated, strictly on its own merits and on the merits of whatever considerations may be brought before the House in regard to it. It cannot be argued—and I think the only deduction from the reasoning of the hon. member for Algoma is that it must be argued—that as soon as a Bill passes the committee the House is entirely robbed of its deliberative capacity on the merits of the Bill itself. Or, putting it another way, as soon as the Bill is thrown out by committee, if the hon. member for Algoma is correct, then the House is robbed of its power to deliberate on the merits of that Bill.

Mr. BOYCE: I did not suggest that.

Mr. MEIGHEN: I can find no other deduction from my hon. friend's reasoning. If his reasoning is correct, that condition will at all times prevail unless there happens not to be many members of the committee present. That, however, would not be a cause better than any other, because the committee itself should be the judge of whether or not its numbers are sufficient to enable it finally to pass upon the merits of the Bill. There are, though, especial considerations in the present case, and I think the important one is this: the Bill has already passed committee and passed this House, and the judgment of this same House has been reversed by committee. Is not that a material consideration? The Bill has passed this House in respect of the clause which was a stumbling block to the present committee. I understand that it was stated when this Bill was before committee yesterday that the matter of name was not under review, that the name was not objected to when the Bill was before the committee a year ago. I had charge of the Bill at that time and I remember quite well that objection was raised to the name. I do not know whether it was pressed very strongly in committee; if it was not it was because the objection at that time appeared, I must say, more or less trivial; but objection to the name was pressed by some one and the committee in its wisdom decided that the objection was not tenable and that the Canadian company had prior rights to the name. That judgment of last session was under review in this House; was favourably passed upon by this House and the committee now step in, rebuke the judgment of the House of last session and throw out the Bill. I am not arguing that the committee had not the right to do so; I am not saying that the committe was estopped from deliberating on the merits of the name merely because the same House of Commons had approved it, but I do say this: that the fact that the committe did so in

contradistinction to its own action a year ago and in opposition to the judgment of this House a year ago, is an especial and a material consideration that should weigh with this House in discussing whether or not the Bill should go back. I do not argue that there were not sufficient members present at the meeting of the committee. I myself came in only a short time before the vote was taken, in time, however, to hear the arguments raised against it by the hon. member for West Algoma. As a consequence, I do not know what degree of discussion did take place, but I was more or less conversant with the subject before I came in. However, there were sufficient numbers present at the committee, no doubt and I do say that the merits of the case itself are such that a very brief review of them would convince the House, were I permitted to give them, that the position taken by the committee is indefensible and that the committee offers a very serious precedent for this House to adopt if that decision is not to go back for review.

Mr. BOYCE: Supposing the Bill to be recommitted and reconsidered by the committee and that there be a much smaller phalanx of members present, what would my hon. friend say then as to the reason for its being recommitted?

Mr. MEIGHEN: I would say that those who had opposed the Bill had seen the error of their ways and had stayed away. After the Bill has received the notice that it does receive and goes back to the committee, there is ample notice to all members of the committee and there is nothing to hinder their being present. I must say that those interested in the passing of the Bill will welcome all who may come to that committee, be they opposed or be they not, and welcome a fair consideration of the claims of this measure on its own merits.

Mr. BURNHAM: Would my hon. friend be satisfied if an adverse judgment were then given, and, if so, why is he not satisfied now?

Mr. MEIGHEN: When the adverse judgment comes I will give my decision upon it. I do not know what will produce it; it may be that there will then be special considerations, but I will say this: if my good friend the hon. member for West Peterborough will disarm himself of all prejudices that may now be in his mind and will address himself to this question with all the intelligence that he can command, I think I will be satisfied with his judgment on the merits of this Bill. If the Chair rules that I am forbidden to discuss the right of this Canadian company to retain the name under which it has been operating through six provinces of the Dominion and which it is now proposed to rob it of, I criticise it not; I bow to it, but I ask that it prevail throughout this discussion.

Mr. J. E. ARMSTRONG: Before the motion is put, I rise merely to say that I, as a member of that committee, voted in opposition to this measure, and I resent strongly the insinuation of the hon. member for Kingston (Mr. Nickle) that the members who voted in opposition to it were influenced in any way, or that they were asked to come to the meeting of the committee. So far as I am concerned, I wish to state emphatically that I was not asked to come to the committee and vote; I felt myself perfectly free to act as I did. While on my feet I may say also that I strongly resent a similar assertion made by the hon. member for Brantford (Mr. Cockshutt) in the committee. I am surprised that hon. gentlemen should make such statements, because they include members of the committee who, I believe, went there for the purpose of conscientiously carrying out their convictions.

Motion agreed to.

PRIVATE BILLS.

FIRST READINGS.

Bill No. 156, for the relief of Frederick Joseph Campbell.—Mr. Ames.

Bill No. 157, for the relief of Elizabeth Chausse.—Mr. Schaffner.

Bill No. 158, for the relief of Beatrice Mae Stinson Fotheringham.—Mr. McCraney.

Bill No. 159, for the relief of Eva Jane Bateman.—Mr. Douglas.

Bill No. 160, for the relief of Florence Rolf.—Mr. Douglas.

ERROR IN DEPARTMENTAL MAP.

On the Orders of the Day being called:

Mr. EMMERSON: I want to call the attention of the Government to a very glaring and inexcusable error to be found in a map published by the Department of the Interior showing the number of chartered banks in New Brunswick, Nova Scotia and Prince Edward Island. In this map, Lawrencetown is represented as being east of the city of Halifax, and in Halifax county. Lawrencetown is in Annapolis county.

Mr. BORDEN: My hon. friend is giving us an example of a little knowledge being

a dangerous thing. There is a Lawrencetown east of Halifax in Halifax county, as well as a town of the same name in Annapolis county.

Mr. EMMERSON: But the one in Halifax county is not a banking town so far as I am aware. This map was sent to me by the manager of a prominent bank in eastern Canada. In calling attention to this error he said that the Lawrencetown where the bank is located is in Annapolis county, and not in Halifax county as indicated by the map.

Mr. BORDEN: I think my hon. friend is quite correct in that.

Mr. EMMERSON: The map is to that extent inaccurate. I wish to call the attention of the Minister of the Interior to the error, as the maps are being distributed all over the country, I myself having received one. Lawrencetown in Annapolis county is quite an important place, but I never heard of the one in Halifax county.

Mr. BORDEN: Doubtless the confusion has arisen over the identity of names.

ST. PETER'S CANAL.

On the Orders of the Day being called:

Mr. KYTE: I desire to ask the acting Minister of Railways and Canals, when he expects that work will be resumed on the St. Peter's canal. I understand that owing to a change of plan the contractor has been obliged to discontinue work for some time. In the present condition of unemployment throughout the country I am bound to say that it is a matter of supreme urgency that the work be resumed as speedily as possible.

Mr. J. D. REID: Work on the St. Peter's canal ceased during the winter, as is usual, on account of the cold weather. During the winter borings were taken for the proposed lock, but the material turned out to be different from what was expected and the chief engineer is now considering the advisability of having the lock in another place. If that plan is adopted it may mean the closing of the canal for one season. I discussed the matter with the chief engineer this morning with a view to arriving at a conclusion on that point, so that work might be started at the earliest possible moment.

INQUIRY FOR RETURNS.

On the Orders of the Day being called:

Mr. W. CHISHOLM: I desire to call the attention of certain members of the Government to delay in bringing down returns ordered of the House passed several weeks ago: one was with reference to the mail service between North Lochaber and West Lochaber; another had reference to reports re dredging in Antigonish harbour; and a third asked for correspondence re the appointment of a collector of customs in Antigonish.

Mr. EMMERSON: I would like to call the attention of the acting Minister of Railways to a return I asked for some time ago relating to an agreement with reference to power rights on the Trent Valley canal. I understand my hon. friend proposes to go into his Canal Estimates to-day, and certainly the information to be found in the return should be before the House when that particular item is being considered. I do not think the return is of such a lengthy character as to take a great deal of time to prepare.

Mr. J. D. REID: I was under the impression that it had been brought down, and I am surprised to hear that it has not. That particular item will not be taken up until the hon. gentleman has the return, and has had time to look it over.

TRUST COMPANIES.

On motion of Hon. W. T. White, the House went into Committee on Bill No. 70, respecting Trust Companies, Mr. Blondin in the Chair.

Mr. WHITE: My right hon. friend (Sir Wilfrid Laurier) usually desires to know what changes, if any, have been made by the committee, and I shall be very glad to give him that information now. The committee gave this Bill very careful and thorough consideration, and made a number of minor changes. Some valuable suggestions made by members of the committee have been incorporated in the Bill. It will be sufficient for the present to mention that amendments have been made as to the following matters: Qualifications of directors, the quorum of directors' meetings, the forfeiture of shares for non-payment of calls, the liability of shareholders to creditors, the liability of directors, loans to directors, and the investment of the company's own funds. The last-mentioned amendment is the principal change made by the committee. Under the draft Bill, the trust company was permitted to invest 40 per cent of its paid-up capital in office premises. That provision was changed by the committee so that 35 per cent of the paid-up capital and reserve may now be

so invested. Under the provisions of the draft Bill, 25 per cent of the capital of the company might be invested in stocks of banks and incorporated companies. That was amended by the committee so that not more than 20 per cent of the stock of any bank and of the stocks and securities of any incorporated company may be taken by way of investment, the total not to exceed 25 per cent of the paid-up capital and reserve. This section is made retroactive after January 1, 1917, so that the trust companies incorporated hitherto will have between now and that date to arrange their investments so as to comply strictly with the provisions of the new Act.

When I was dealing with the Bill on the second reading, my right hon. friend referred to the very wide powers which in the past had been granted to trust companies incorporated by letters patent from the Department of the Secretary of State, and asked if we would inquire as to how many of these companies had organized with a view to seeing whether the powers of those companies which had not organized should be cut down so as to comply with the provisions of the new Bill. We made that inquiry through the office of the Secretary of State. We found that most of the companies had organized and were carrying on business at the present time. A few of the companies have not organized. The changes which have been made by the committee in section 66, which deals with the investment powers of the trust companies incorporated under this Act, together with the retroactive provision, effectually clip the powers of any of the companies which have not yet organized, and which have powers of investment wider than I think this House would deem it wise that trust companies should have. So I think the point which my right hon. friend had in mind has been met by the committee.

On section 4—Incorporation and organization:

Mr. TURRIFF: Does the Minister of Finance think anything can be done to secure an arrangement with the different provinces about incorporating trust companies? I know that in the West for some years past a number of trust companies have been incorporated by the different provinces, some of them with exceedingly small capital and without the necessary safeguards. I know cases where stock in trust companies has been paid up by turning in agreements of sale as if they were cash although they may or may not represent cash. In most cases I imagine that those agreements would not represent one hundred cents on the dollar in cash. In those cases the result is an apparently large paid-up capital, which is in reality not nearly as large as appears on the face of the incorporation as being paid up. In one particular case where one of the western provinces had provided that only trust companies could act as official assignees, a company which was not a trust company was doing business as an official assignee. It immediately organized as a trust company with a capital of $5,000, of which, I think, under $2,000 or under $3,000 was paid up. That company is now acting as an official assignee, and is advertising to act as a trust company for other trust purposes, although it has practically nothing behind it. The innocent public may be easily misled in the matter. While I do not suppose Parliament can do anything that will affect that, possibly something might be done by taking the matter up with the attorneys general of the various provinces and endeavouring to have some peaceable understanding by which companies could not pose before the public unless they had sufficient capital and were under proper restrictions.

Mr. W. T. WHITE: As my hon. friend is aware, there is concurrent jurisdiction in the matter of incorporating trust companies. The Dominion of Canada has jurisdiction, and each province has jurisdiction, so that the Dominion could not, as a matter of right, interfere with the legislation of any province. The point was raised, I think, upon the occasion of the second reading of the Bill, and I stated that I had received communications from the attorneys general of, I think, two or more provinces asking in a general way what legislation we proposed to introduce. They evidently desired to have it before them in connection with some similar legislation which they had in mind for their respective provinces. We are sending copies of this Bill to the several attorneys general, but beyond that I think we have not any power whatever to interfere with their discretion in the matter of provincial legislation. The only thing that could be done would be by way of suggestion. In sending a Bill with a covering letter we

might possibly be able to do that, but of course anything like interference might be misunderstood and even resented.

Sir WILFRID LAURIER: There is another way of determining the respective powers of the Dominion and of the provinces to incorporate companies. The late Government had this matter referred to the courts. I do not know in what position the matter stands to-day; but we shall never have complete satisfaction upon this point, but shall always have clashing of interests and possible complications, until we have, whether by legislation or by judicial determination, complete knowledge as to the power of the provinces to incorporate companies. Take the case we have had before us to-day of a company which has been incorporated in Manitoba. It comes to the Parliament of Canada to have its powers enlarged, and very properly so I believe. That company recognizes that there is more security in a Dominion charter than in a provincial charter. If a company wishes to do business not only in a province but beyond it, according to my judgment, it should have a Dominion charter. We have allowed the provinces to give charters to companies, and many of these companies have obtained powers just as extensive as those obtainable from the Dominion. I would like to know from my hon. friend in what stage the lawsuit is between the provincial governments and the Dominion Government as to the power to incorporate companies. Has the matter been prosecuted or not?

Mr. W. T. WHITE: My recollection is that the Supreme Court gave judgment in the matter, and that the case is standing for appeal to the Privy Council. I did not suppose that the Dominion or the provinces would be content with the decision of the Supreme Court, although that body is entitled to our fullest respect. I am afraid that I shall not be able to make a statement as to this matter without some notice.

Sir WILFRID LAURIER: Perhaps the hon. Solicitor General (Mr. Meighen) can tell us in what position the litigation is. There has been a judgment of the Supreme Court, as I understand, affirming the right of the Dominion against the provinces. Am I right in that?

Mr. MEIGHEN: I regret to say that I cannot give my right hon. friend any information. The matter has not come in any way whatever under my cognizance since I have been in office.

Sir WILFRID LAURIER: I am afraid that my hon. friend has not been very diligent in getting information in reference to this matter and that this remark applies not only to himself but to the whole Government. They have not been diligent in getting this matter settled in one way or another. I know that there is a conflict of opinion between the provinces and the Dominion and that the provinces hold very strongly to the view that they have the power to incorporate companies. The Dominion, I believe, has not been as diligent as it might have been in order to have this question decided. The only way to secure a decision is by a reference to the Judicial Committee of the Privy Council, and if the hon. Solicitor General has not the information, I think he should exert himself to secure a final determination of the question.

Mr. MEIGHEN: I am quite aware that the matter has been under review judicially, and at the same time I know of many similar questions between the provinces and the Dominion that are under review, some of which, to a degree, and some altogether, are under my own charge. But this is not one of them. That does not say, however, that some other member of the Government may not have had it in his charge.

Sir WILFRID LAURIER: My hon. friend is young in years and young in harness. He has an excellent opportunity of immortalizing himself by having this matter decided once for all.

On section 6—model Bill:

Sir WILFRID LAURIER: All these clauses are in the original Bill, I suppose? There is nothing new in them?

Mr. WHITE: No, subject to certain modifications by the committee.

4 p.m. On section 29—calls:

Mr. TURRIFF: I see that the minimum capital stock is fixed at $250,000. Is there provision later on that a certain amount shall be paid up before they can begin business?

Mr. WHITE: I would refer my hon. friend to section 13 which provides that the company must have $100,000 in a chartered bank.

On section 34—share warrants:

Sir WILFRID LAURIER: I wish my hon. friend would give us some explanation of share warrants.

Mr. W. T. WHITE: My hon. friend is doubtless aware that there are two methods in general vogue of transferring shares in an incorporated company; in reality it is the same method, but the form in the two cases is different. A shareholder, holding shares in an incorporated company in Canada, may be entered upon the books of the company as a shareholder, and have a stock certificate issued to him, which is in reality a receipt or an acknowledgement that he is a shareholder in the company. That stock certificate, if there is no power of attorney upon its back, is not negotiable. If the shareholder desires to transfer his holdings of shares in that company, he signs a power of attorney, and the party to whom he sells the shares takes that power of attorney to the office of the company and there makes a transfer to any name he desires. That completes the transfer, and the legal ownership of the share is then vested in the transferee. For convenience, stock certificates, such as I have described, have in many cases a blank form of attorney endorsed on them. Upon that blank form of attorney being signed by the party in whose name the certificate stands, the certificate may pass from hand to hand, giving to each successive holder the right of a shareholder to transfer the shares upon the books of the company. That certificate is called a scrip certificate. The transaction is precisely similar to the other one, save that there is no power of attorney upon the first stock certificate, as there is upon the second, and that the first does not pass from hand to hand, and is not in any way negotiable. These are the two methods of transferring shares in Canada or in Great Britain.

On the continent, the share warrant is very much in vogue. The share warrant is in reality the certificate of the company that the holder is a holder of so many shares.

Mr. EMMERSON: Not the holder, but is entitled to them.

Mr. WHITE: Yes, I was using the word 'holder' synonymously with 'owner.' A bearer share-warrant is a certificate that the bearer is entitled to so many shares, or is the owner of so many shares, and is entitled to receive the dividends thereon when declared. The bearer share-warrant is negotiable; it passes from hand to hand like a bond payable to bearer. For example, if my right hon. friend were the holder of ten shares under a bearer share-warrant and desired to sell them to another party, he could pass on his title by merely delivering the bearer share-warrant to the purchaser. It is important, of course, that the company should have a record, and a careful record, of all outstanding share-warrants that may be issued. The holder of an ordinary certificate or scrip certificate, for so many shares in a company, delivers up his certificate and makes application for the issue to him of a share-warrant representing the same number of shares. The company after cancelling the stock certificate, or certificates, delivers to him the share-warrant. It then has no record of the name of its shareholder, and the share-warrant passes from hand to hand. There has been a great demand in this country for share-warrant provisions in special acts and in general companies acts, in order to meet the requirements of the European investor, who otherwise would be obliged to send a power of attorney or a scrip certificate across the ocean, and make the transfer to the name of the party to whom he sold. Personally, I see very little reason why the provision as to share-warrants should find its way into an Act incorporating trust companies, but there have been trust companies incorporated with the power to issue share-warrants, on the ground that they derive certain of their capital from the continent of Europe, and so I thought it better, because the matter is certain to arise again, to confer that power upon the companies incorporated under this Act. It is open to the directors or the shareholders, by by-law, to adopt a different course and to provide that share-warrants shall not be issued. If the shareholders adopt a by-law providing that share-warrants may be issued, I personally do not see that any harm can come to the public. My assistant deputy minister calls my attention to the fact that the share must be fully paid before a share-warrant is issued.

Mr. EMMERSON: I have very strong prejudice against this provision in an Act of this kind, and especially because of the secrecy it involves. I believe that the shareholders of any incorporated company in Canada should be open to the full light of day, so that every one who cares to know, or who is entitled to know, may know the personnel of those who constitute a company. If I am a shareholder in a company,

under this provision, I could go to the company, hand over my certificate for 100 shares say, and receive a share-warrant in lieu thereof. My name is then blotted out of the register of that company as a shareholder. The shares thus surrendered are suspended, and remain so as long as the share-warrants issued in lieu thereof are in circulation. The share-warrants may pass from man to man, and from continent to continent, and no one knows where they are, there being no identity as to the holders. This may be a convenience for an individual living abroad, and for the purposes stated by the Finance Minister, but I do not think it is in the interests of the public, nor do I think it is suited to the conditions in this country. This provision certainly should be withheld from a general Act, until a policy is adopted, whereby our Companies Act has such a general provision. There are a few isolated acts of incorporation containing this provision, and these have been granted only within the last year or two. If it is to be the policy of this Parliament to grant such legislation, then it should be made to apply as well and more particularly to the Companies Act. In this Bill, and in the Bill relating to loan companies, the provision has appeared for the first time as a general provision. I think it is worthy the consideration of the minister, as to whether this should apply to trust companies and loan companies, when it does not apply generally to companies incorporated under the Companies Act.

The secrecy, the veiled circumstances, seem to be very objectionable in the interest of the public. We grant to a body of individuals certain powers, sometimes large and exceptional, and we know the individuals as they start out; but there may come a time when all knowledge ceases as to the individuality of the shareholders or as to the personnel of the company. For that reason I think this committee should hesitate before stamping its approval upon this proposition. The minister, although he may have considered the matter very carefully, in view of the doubt so generally expressed as to the wisdom of this provision, should hesitate before taking this step at this time, and I think it should certainly be withheld in the case of trust companies and even in the case of loan companies. We have not done it in respect to private corporations in the past.

Mr. NESBITT: If we had done so, what harm would it do ?

Mr. EMMERSON: Because of secrecy. It may not do harm; I cannot put my finger on conditions or circumstances which would demonstrate that harm had resulted, but I think there should be the fullest publicity and opportunity for knowledge with respect to every Act of incorporation granted by this Parliament.

Mr. W. T. WHITE: I appreciate the view put forward by my hon. friend that there should be general legislation, if it is decided by Parliament that share warrants shall be allowed. My hon. friend the Minister of Justice has now under consideration, and will, I believe, within a few days or a week or so, introduce to the House an amendment to the General Companies Act under which permission will be given to issue share warrants. There is no doubt that any change of this kind should be carefully and seriously considered by Parliament, but this legislation is not new. The English Companies Act, under which companies may be incorporated for any of the objects within the legislative jurisdiction of Parliament in England has for a long time authorized the issue of share-warrants.

Sir WILFRID LAURIER: For trust companies ?

Mr. WHITE: I would say, yes, with this qualification, that I have not looked especially at the Act, but I believe that trust companies can be incorporated by the English Companies Act. The legislation is general, and the use of share-warrants is well recognized in England and has been brought about by the demands that I have mentioned, namely, from the continental investors. The safeguard is that the shareholders themselves have to pass a by-law authorizing the issue of the share-warrants. I have never known of any case of abuse. One could conceive of a case in which practically all the shares of a company might be represented by share-warrants, but I think it is hardly probable. As I stated at the outset, I was influenced in introducing this section of the Bill, not by anything that I had especially in mind, but by the fact that trust companies had within the last two or three years sought this power and it had been conferred by this Parliament. As I decided to frame a Bill which would cover any application that might come up for the incorporation of a trust company, it occurred to me that I had better include the powers that had already been granted by

Parliament. My own belief is that the provision as to share-warrants will be inserted not only in the Dominion Companies Act but in the Companies Act of every province of Canada. This will be brought about by the demand of the continental investors for share-warrants.

Sir WILFRID LAURIER: Would you do it in the case of banks?

Mr. WHITE: I would hesitate to do it in the case of banks, and I do not see the same necessity for it in the case of a trust or loan company as I do in the case of an ordinary commercial company whose shares are widely dealt in and in some cases speculated in. Undoubtedly we shall have applications in the way of special Bills brought forward to incorporate trust companies in which this power will be asked, because the investors will desire to sell their shares on the continent and will be asking for share-warrants. If a Bill such as that were brought forward, in all probability it would pass through the House.

Sir WILFRID LAURIER: I would hesitate to affirm a positive opinion upon this question, because the matter is altogether new to me. I can understand the advisability of facilitating commerce in shares as in other forms of commodities, because shares are commodities which are sold on the market every day, and there is good reason that we should facilitate transactions in shares. I can see very good reason why this provision should apply to ordinary companies, but as regards banks and trust companies there may be the objection that the character of their shareholders is one of their best assets. The stock of a company is an asset of its creditors. If you can conceive of a bank or a trust company the whole list of whose shareholders does not appear in its books that fact would be a fatal blow to it because such an institution adds very much to its value and its reputation by giving a list of its shareholders to the public. Trust companies are becoming one of the most important forms of management of estates that we have. They are coming more and more to be the managers of the funds of orphans, infants, widows, and so on. The character of the directors is the first asset, and the character of the shareholders is the second; but if you introduce a system whereby it is possible that the whole list of shareholders shall not appear in the books, I doubt if the same security will be felt by the public in regard to trust companies as there is at present. That is the only objection that I can see at this time.

Mr. WHITE: Does not my right hon. friend consider that as one reason why the Act would not be abused, namely, because the company would consider the names of the shareholders a valuable asset and would not permit the occasion to arise under which all the shares, or the greater part of them, would be represented by share-warrants. If we do not insert this provision now, we shall be inserting it in special Bills, so that unless there is some special objection to it, I feel that the provision had better stand.

Mr. TURRIFF: It is provided in this section that a shareholder cannot qualify as a director by holding share-warrants. A man holding ordinary shares could qualify as director, so that it would not be possible for all the stock to be in the form of share-warrants.

Mr. SAMUEL SHARPE: It is my opinion that there is a great deal of objection to the use of share-warrants in ordinary companies. Business is now carried on largely by companies, and the whole purpose of the new Companies Act is to give greater publicity to the affairs of these companies. Share-warrants are going to defeat that very object; the people are not going to know who are the shareholders of the companies. There is another objection to the use of share-warrants. The local legislature collects succession duties from the estates of deceased persons. By the use of share-warrants a man who wishes to do so may defraud the treasury of the province by taking out share-warrants and handing them to members of his family prior to his demise. The object and purpose of our Companies Act should be not to enable companies and corporations to conceal the identity of their shareholders, but to have more publicity; the whole object and purpose of the use of share-warrants is to create secrecy in the transaction of business and secrecy as to the identity of members of companies. While provision for share-warrants is in the English Companies Act, their use is, I understand, not very general in the commercial life of Great Britain, although they are used to some considerable extent on the continent. Legislation of this kind is sought by rich Brazilian and other companies, so that they may float their bonds

and sell their shares in the old country and at the same time conceal the identity of their shareholders. Personally, I am very much opposed to the use of share-warrants.

Sir WILFRID LAURIER: There is great force in what the hon. member for North Ontario says. The question is a new one; perhaps the Minister of Finance may think it advisable to leave the matter over for further consideration.

Mr. WHITE: The difference between scrip certificates of Canadian Pacific railway stock, for instance, and bearer share-warrants, is only a matter of form. My hon. friend might be the holder of twenty-one shares of Canadian Pacific railway stock and if he handed me a stock certificate endorsed in blank I could transfer it to B and it could be passed on to C and D and so on until it finally got into some one else's name. The scrip certificate form is used, and I think, will continue to be used, in Canada. I do not know that share-warrants are used in this country at all; I am satisfied that they are not used to any considerable extent. The only purpose of this legislation is to meet the requirements of the European market, where they are not familiar with scrip certificates and where they are asking for share-warrants in order more readily to make the transfer of shares. With regard to the succession duties mentioned by the hon. member for North Ontario, it is a question of fact as to whether a decedent was the owner of shares or not and the same consideration would arise in connection with bearer bonds. A, who is the owner of $100,000 worth of bearer bonds, dies. He may have transferred those bonds by delivery to the members of his family or to others; it would be a question of fact as to whether or not he owned those bonds or whether he had parted with them for the purpose of defrauding the treasury of the province. Precisely the same consideration would arise in connection with share-warrants, so that I do not regard that argument as a conclusive one. I repeat that, so far as I know, the only ground upon which the privilege is asked is that of meeting the requirements of the European market. In this country we get most of our money from Great Britain but a great deal of money has been coming over from Belgium and France and the investors in these countries ask for bearer share-warrants. The question is: Shall we make legislation to meet their requirements? If we have not legislation to meet their requirements, they will not so readily invest. The question, then, is whether we are willing to provide facilities under which the continental investor may get the kind of document to which he is accustomed in connection with the holding of shares.

Mr. SAMUEL SHARPE: Could not the same object be attained by having a transfer office in London? Provision is made under the English Companies Act for what they call colonial transfer offices. If an English company wishes to sell its stock in any of the colonies they may establish colonial offices for the transfer of shares. The only argument in favour of the use of share warrants is that they facilitate the sale of stock on the continent. If a Canadian company wishes to transfer or sell their shares in the continental or English markets they could have a transfer office in London or on the continent, which would facilitate the transfer of shares and at the same time remove any objections which might be urged against the use of share-warrants.

Mr. NESBITT: I would like to draw the attention of the committee to the fact that these share-warrants are issued only for fully paid-up stock. Not only would they be a convenience to the people of the continent, but they would be a great convenience to the trust and loan companies in this country who want to get money from the continent.

On section 51—directors jointly and severally liable:

Sir WILFRID LAURIER: This is a very important clause. What is the meaning of the word 'knowingly'?

Mr. WHITE: My right hon. friend has happened upon a word that was rather carefully considered by the committee; in fact, it was inserted by the committee for the purpose of protecting directors against undue liability. The wording of the section in the Bill as originally introduced, so far as it is relevant to my right hon. friend's question, was as follows:

If the directors of the company declare and pay any dividend when the company is insolvent, or any dividend the payment of which renders the company insolvent, or diminishes the capital stock thereof, they shall be jointly and severally liable, as well to the company as

to the individual shareholders and creditors thereof, for all the debts of the company then existing, and for all thereafter contracted during their continuance in office respectively: Provided that if any director present when such dividend is declared does forthwith, or if any director then absent does, within twenty-four hours after he becomes aware of such dividend being declared and is able so to do, enter on the minutes of the board of directors his protest against the same, and in either case within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office of the company is situated, or if there is no newspaper there published, in the newspaper published nearest thereto, such director may thereby, and not otherwise, exonerate himself from such liability.

This was considered by the committee, and I think properly, to be an exceedingly drastic provision. We traced it up and found that it had appeared in Dominion legislation since 1877, but there was no English precedent for it. Our surmise is that it was adopted from American legislation. The committee, after having given the matter very full consideration, came to the conclusion that the section was too severe upon directors. Whether a company is insolvent or whether a payment will make it insolvent, is in each case a question of fact. The result of the section, therefore, would be that, on a strict interpretation, a director who concurred in declaring a dividend when the company was as a matter of fact insolvent, even although not to his knowledge insolvent, or who concurred in paying a dividend payment of which rendered the company insolvent, although it was not to his knowledge that it would do so, would nevertheless be liable under the provisions of this section. The committee, therefore, concluded that it was too drastic, and they amended the section to read as follows:

If the directors of the company declare and pay any dividend which impairs or diminishes the paid-up capital of the company, the directors who knowingly or negligently concur in the declaration or making payable of such dividend whereby the paid-up capital of the company is impaired or diminished shall be jointly and severally liable for the amount of such dividend as a debt due by them to the company.

That is the way it was left by the committee.

Sir WILFRID LAURIER: I do not think that the amended clause has improved the Bill. In my estimation it has deteriorated it. The Bill as drafted provided that if a director paid a dividend when the company was insolvent, or a dividend which made the company insolvent, he should be liable.

[Mr. W. T. White].

For my part I would certainly be in favour of that legislation; in fact, while I cannot speak as to the common law, my impression is that, under the civil law under which I was brought up, without any legislation or statute, the director would be held liable personally.

Mr. WHITE: Apart from negligence or knowledge?

Sir WILFRID LAURIER: I think that if the directors made the company insolvent by their own action they would be liable. They might not be under the common law, but under the civil law I think any act of any director which made the company insolvent would render that director liable to the company. I think the legislation as at first proposed was wise legislation. A trust company will administer estates ten or twenty times larger than its own capital stock. It is a wise form of administration of estates, none better, I believe, if properly done. One of the things that makes trust companies so efficient and useful is the character of the management, from whom the very strictest account should be required. I do not think the old Act went too far, but as it has been amended I will not substitute my own opinion for that of the committee who drafted this Bill. But I want to call the attention of my hon. friend to one word in this section to which I take strong objection, that is, the word 'knowingly' in the sentence, 'The directors who knowingly or negligently concur in the declaration or making payable of such dividend,' shall be liable. Why should you say 'knowingly?' If a case of that kind arose, what would be the result? The director, when called to account, would say: 'You cannot expect me to know every detail of the business; I passed those dividends upon the reports made to me by the cashier and other officers of the company; I acted in good faith.' That will have the effect of clearing him of responsibility. He will plead that he did not know personally that he was doing wrong; but I say that it is his business to know what he is doing whenever he acts officially. I think he should be made liable and not allowed to take refuge in the statement: I did not know what I was doing. I think the word 'knowingly' should be struck out.

Mr. W. T. WHITE: My right hon. friend, I am sure, will agree with me in this: that if the director in that suppositious case refrained from informing himself on matters that he ought to know about, he would be guilty of negligence. My right hon.

friend will observe that the section reads, 'the directors who knowingly or negligently concur,' so that a director who says, I did not know, would not necessarily excuse himself from the consequences. If a charge of negligence were brought home to him, he would still be liable. While appreciating what my right hon. friend has said, and realizing, I think, precisely what he has in mind, namely, that under a clause of this kind it would be difficult to bring home 'knowledge' to a director so as to make him liable, I would like to call his attention to the fact that this section is almost similar in wording to section 58 of the Bank Act, which reads as follows:

> The directors who knowingly and wilfully concur in the declaration or making payable of any dividend or bonus whereby the paid-up capital of the bank is impaired, shall be jointly and severally liable for the amount of such dividend or bonus, as a debt due by them to the bank.

For the words 'knowingly and wilfully' we have substituted in this Bill 'knowingly or negligently'—making it stronger. For the information of my right hon. friend, I may say that in the Yarmouth case this section of the Bank Act was effectual in enabling the liquidator to recover from the directors of the bank substantial sums paid as dividends in violation of its provisions.

Mr. NESBITT: As the hon. minister knows, when this Bill was before the committee I objected to the word 'knowingly' on the same ground as my right hon. friend.

Section agreed to.

On section 70—investigation:

Mr. MARCIL: I would like to ask the minister if there is any control or inspection over joint stock companies incorporated by the Dominion. For instance, one company is selling Panama bonds in the province of Quebec; another one is advertising guessing competitions in the newspapers and is coining a lot of money.

Mr. AMES: What is the name of the Panama company?

Mr. MARCIL: The Provident Financial Association, Limited, incorporated by the Dominion Parliament in 1905. Last year I called the attention of the Superintendent of Insurance to the matter, and also that of the Minister of Justice. A circular is circulated in my county and various parts of Quebec, stating that these bonds are guaranteed by the French Government. They are sold to the farmers down there for $52 on the instalment plan, or for $40 cash, and the farmer also has a chance in a lottery that takes place subsequently. The largest amount he can draw is $96,500.

Mr. MURPHY: Is the company incorporated by Parliament?

Mr. MARCIL: Yes, it is a Dominion company, incorporated in 1905. I wrote to the Superintendent of Insurance on March 13, 1913, and he said in reply:

> I am in receipt of your letter of the 13th inst. The Provident Financial Association, Limited, was incorporated by an Act of the Parliament of Canada in 1905, but its Act of incorporation does not require it to make a report of its operations to the Minister of Finance. As to the bonds referred to in the circular contained in your letter I have no knowledge whatever. If they are in the nature of a lottery, the parties dealing in them may be prosecuted under the Criminal Code.

There is no disguising the fact that this is a lottery. Large numbers of these Panama bonds were sold in my own constituency to people who did not know any better. They were induced to buy them because on the face of the certificate it appeared that they had been guaranteed by a company incorporated by the Parliament of Canada. The hon. Minister of Justice (Mr. Doherty), to whom I referred the matter, wrote to me on April 19, 1913, to this effect:

> Ottawa, April 19, 1913.
>
> Dear Sir,—There is not information enough in the papers you send me to enable me to judge as to whether the Panama bonds referred to in the circular you enclosed are a legitimate investment or not, nor would I like to express any opinion upon foreign bonds and debentures. I remember that lotteries were authorized and held in France to raise money for the Panama canal, but whether these bonds are connected with the lotteries or not I do not know. Lotteries are, of course, forbidden under our law.
>
> Yours sincerely,
> (Sgd) Chas. J. Doherty.

I have heard no more about it except that I have learned personally that a number of bonds were sold.

During March of this year large advertisements appeared in the newspapers of Montreal and Quebec. The one I have here is in French. It is headed, 'Grand Guessing Competition.' In the centre of the advertisement is a large picture showing a Roman chariot with four horses, and in the chariot a goddess holding a horn of plenty and scattering gold along the way. In the picture are the figures of four women, and the riddle is to make out these figures, which are not apparent at the first glance. This is the inducement offered:

Grand Guessing Contest.

We will give, absolutely gratis, to every person who will find the solution of this guess, one hundred shares in our mining syndicate, formed for the purpose of acquiring and exploiting one of the richest gold mines in the province of Quebec, with the right to participate in ten thousand dollars in gold distributed in prizes amongst members of our syndicate.

Then the conditions follow. The company is the Chesham Gold Mine Promoters, Limited. The advertisement continues:

This $10,000 is to be distributed gratis among the members of our syndicate.

There are 811 prizes, divided as follows:

One prize	$5,000	in gold.
"	1,000	"
"	500	"
"	200	"
"	100	"
Two prizes	50	"
Four prizes	25	"
One hundred prizes	10	"
Two hundred prizes	5	"
Five hundred prizes	2	"
811 prizes.	$10,000	

Then they state the conditions of the competition as follows:

To all persons who will send us a correct solution of this puzzle we will give absolutely free 100 shares in our syndicate, with the right to participate in this distribution of $10,000 amongst the members of our syndicate. All you have to do is to make a cross on the four figures which are found on this sheet and send them to us together with a five cent piece to cover the cost of postage. Write your name very legibly as well as your address. This offer is without precedent and is made for the purpose of advertising our syndicate. Do not forget to write your name very plainly, and enclose the five cents in your letter, which entitles you to take part in this competition.

A well known citizen in Montreal, who takes an interest in these matters, and who sent me this information, stated that he was informed on good authority that on the first day after this competition was announced on which a reply could be made, the 16th of February, 1,300 five-cent pieces were received, that on the following Tuesday 2,200 five-cent pieces were received, and that on the following Wednesday 4,400 five-cent pieces were received. The whole thing seems to be a sham. The advertisement appeared first in the Montreal papers, and then I saw it in the Quebec papers. The great objection is that this is being done under the Dominion Companies Act. This company was incorporated on the 26th January, 1914, under the Dominion Companies Act. I want to direct the attention of the hon. Postmaster General (Mr. Pelletier) to this company. It is called the Chesham Gold Mines Promoters, Limited. The idea of giving 100 shares in a syndicate for five cents! I have several other cases that I want to call the Postmaster General's attention to as being an abuse of the post office. I thought it was my duty to call the attention of the ministers present to what is being done. There is no inspection of these companies, and these things are liable to occur again.

5 p.m.

Mr. W. T. WHITE: My hon. friend from St. Antoine (Mr. Ames) has handed me the statute to which my hon. friend (Mr. Marcil) has referred—4-5, Edward VII. By chapter 151 the Provident Financial Association, Limited, was incorporated, but I fail to see anything in the powers granted to them which would enable them to carry on the business which has been described by my hon. friend. The powers set out in the Act are as follows:

The company may—

(a) Underwrite, buy, pledge and otherwise deal in bonds, debentures or obligations of corporations, whether secured by mortgage or otherwise, Dominion, provincial, British, foreign or other public securities, with the privileges and rights thereto attached;

(b) borrow money upon the security of mortgages, hypothecs, bonds or other securities belonging to the company.

There is no objection that I can see to the legislation of 1905 incorporating the company in question. From what my hon. friend has said, I should judge that they are carrying on what is termed a guessing competition. Whether they are violating the provisions of the Criminal Code or not I am unable to say. I think it would be impossible to have any return made to the minister which would expose the character of the business carried on by a company having the powers mentioned in this Act. It is quite probable that the powers that were got by the letters patent referred to by my hon. friend are similarly proper in character; but the mode of carrying on business is objectionable. Possibly the Attorney General of Quebec would be the party who might be usefully informed as to the matters brought to our attention by my hon. friend.

Mr. MARCIL: I would not like there to be any misapprehension. The sale of the Panama bonds has taken place by a company with a special charter.

Mr. WHITE: That is the company incorporated by chapter 151.

Mr. MARCIL: The other company is incorporated under the General Companies Act. Would any sane man think that he was going to get 100 shares in a gold mine in Quebec for five cents? Yet a lot of people have been taken in—4,400 in one day. There is not the supervision of these matters that there should be. If there is no inspection of these companies by the Dominion, there should be some prohibition against their misleading the public.

Mr. WHITE: I shall be very glad to bring the matter to the attention of the Secretary of State.

Mr. MARCIL: What I am doing in this case, is, of course, in the public interest.

Mr. WHITE: Oh, certainly.

Mr. MARCIL: I was asked to call the attention of the Postmaster General to it, so that these notices might be stopped going through the mails. The other company I refer to is the Panama Bond Company, which probably is the most dangerous of all.

Mr. LEMIEUX: When I was Postmaster General, an order was issued prohibiting the Panama Bond Company sending its matter through the mails. They employed counsel to argue the case before Sir Allen Aylesworth, who was then Minister of Justice, and he decided that they had no right to issue these bonds or to sell them to the public. We issued an order against them in the post office, but since that time apparently they have renewed their efforts.

Mr. MARCIL: There was a circular published and circulated in my constituency, stating that some person in Rockland, near Ottawa, had benefited to the extent of $15,000.

Mr. PROULX: Did he get the money?

Mr. MARCIL: I never heard he got the money, but such a notice would induce others to spend their money.

Bill reported.

LOAN COMPANIES.

On motion of Hon. W. T. White (Minister of Finance) the House went into committee on Bill No. 83, respecting loan companies, Mr. Blondin in the Chair.

Mr. WHITE: It will be unnecessary for me to make any general explanation upon this Bill, because the same remarks apply to it as to the Bill respecting Trust Companies, which has just been reported.

Bill reported.

BINDER TWINE FOR EXPORT.

Hon. GEORGE E. FOSTER (Minister of Trade and Commerce) moved second reading of Bill No. 109, to amend the Inspection and Sale Act. He said: This is the Bill introduced upon the resolution which we discussed the other day in Committee, and which was, I believe, agreed to on all sides.

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. Blondin in the Chair.

Mail subsidies and steamship subventions—Steam service between Canadian Atlantic ports and Australia and New Zealand, $140,000.

Sir WILFRID LAURIER: There is an increase there.

Hon. GEORGE E. FOSTER (Minister of Trade and Commerce): A comparison of the mileage of the service under consideration with that of the service with South Africa gives the following: distance from St. John to Dunedin, summer service, 15,656 miles; winter service, 15,303 miles. Distance from Montreal to Durban, 8,162 miles; St. John to Durban, 7,802 miles. It will be seen that the distance travelled is twice as great in the service to Australia and New Zealand as it is in the service to South African ports. That of course, makes the expense greater, and the company in charge of the service to Australia asked for an increase in subsidy. I did not grant the amount that was asked, but I did give an increase of $20,000 a year. This service is developing a fairly large amount of traffic. In 1913, $3,364,000 worth of exports of Canadian origin were carried, being about $500,000 of an increase over the preceding year. The increase in the value of exports of United States origin carried was about $270,000, making in all an increase of about $750,000 in the year. The service is being largely used by the export trade of eastern Canada; the use of the long railroad across the continent is impracticable for most classes of freight. I am glad to be able to say to the House that during the last two or

three months the quantity of freight offering for these vessels has been increasing with satisfactory rapidity.

Sir WILFRID LAURIER: This service was established as an experiment some years ago because manufacturers and others could not conveniently use the Pacific route. We hoped at that time that the service would be well justified by the results, and I am glad to see that so far our anticipations have been fulfilled. Has my hon. friend a list of the freights transported by this service?

Mr. FOSTER: I would direct my hon. friend to part 6 of the report of the Trade and Commerce Department, which deals with subsidized steamship services. It has been our aim to obtain a statistical report of all freight carried so that a comparison can be made from year to year and a check kept upon the progress made. The vessels in this service carried last year the following articles of Canadian origin:

Lumber, automobiles and parts thereof, calcium carbide, chair stock, paper, sole leather, agricultural implements, rubbers, iron pipe, hardware, cattle, clothespins, seed, fruit jars, corsets, cereal food, wire and organs.

Of United States origin the following articles were carried:

Cereal foods, machinery, automobiles and parts thereof, steel rails, organs, lumber, fruit jars, roofing paper, shoe polish, wire and sewing machines.

Of West Indian origin the following articles were carried:

Coffee, cocoa, pimento, ginger and cassava products.

Sir WILFRID LAURIER: Were there return cargoes?

Mr. FOSTER: We do not have a return voyage. We subsidize the vessels for the trip from Canadian ports for export trade to Australia and New Zealand, but it has been impossible for the company up to the present time to get cargoes which would make it at all economical for them to bring return cargoes to our ports. When they discharge cargo at Australian and New Zealand ports, they load from whatever part of the world they can, generally taking cargo from there to British ports and then returning to our own ports to carry out their export contracts.

Sir WILFRID LAURIER: My right hon. friend was in Australia last year. Whilst there is no cargo coming back aboard the steamers, is there any sign of any future trade from Australia to Canada?

Mr. FOSTER: Yes. In another of the publications of the Trade and Commerce Department which details the transactions and exchanges of the different countries my right hon. friend will find set out the articles that return. The traffic between Australia and our own country is now mainly by the Pacific, and it has not been found practicable to get return cargoes to our eastern Canadian ports. But there is a very satisfactory increase in the interchanges between Australia and ourselves. If it would be possible for a provisional arrangement to be made covering certain lines of articles, that would be largely increased. That is shown in the trade between New Zealand and Canada, where we have a mutual preference, the trade, both going and coming, having very largely increased. It is not an extensive trade in one way, yet the increase has been rather remarkable and Canada enjoys a large part of the advantage of that trade, in agricultural machinery, some other kinds of machinery and manufactured articles of various kinds. With New Zealand, which has no very large manufacturing industries itself, our trade in automobiles and motor cars is increasing very rapidly. In paper there has been a very rapid extension of our trade; in fact, we supply practically all the paper for New Zealand, and we are supplying a very large proportion of what is used in Australia so that for our paper industry, our iron industry and the others that I have mentioned there is an extension of trade. Then, there is an opportunity for traffic between Australia and New Zealand and Canada in the matter of fruits, the two seasons being absolutely the opposite of each other. They are taking quite large quantities of our fruit from the British Columbia coast.

Mr. SINCLAIR: From what ports do the ships sail?

Mr. FOSTER: From Montreal and St. John.

Mr. SINCLAIR: What route do they take?

Mr. FOSTER: They take the South American route by Cape Horn.

Mr. SINCLAIR: Will the opening of the Panama canal have any effect on the business?

Mr. FOSTER: I am not sure that it will make the passage very much shorter, but one cannot tell what will happen.

Mr. SINCLAIR: Will it have the effect of reducing the subsidy ?

Mr. FOSTER: If it makes the passage shorter I am not sure but it would.

Mr. LEMIEUX: Is there not an application before the hon. gentleman for a subsidy when the canal is open for a line of steamers from the east coast to the west coast of Canada, and what consideration does my hon. friend intend to give that matter ?

Mr. FOSTER: Several propositions have been placed before the department and the Government for subsidies for lines of steamers connecting the eastern with the western coast by the Panama canal. Up to the present time, although I have given a good deal of attention to the matter, I have not seen that it is necessary to subsidize freight steamers between our eastern ports and our western ports. These are not and cannot be mail carriers; they must be exclusively freight carriers. What may take place when the canal is opened no one knows; but it does seem to me there would be an increase in the lines of steamships from the European countries through the Panama canal to the Pacific ports of Canada, and that it might be quite possible to combine the services between the old countries and those western ports with calls at the eastern ports of Canada. So far as my department is concerned, we are allowing that matter somewhat to develop itself and seeing what the lines and tendencies promise to be before we undertake to subsidize a freight service between ports on these two sides of the country.

Mr. SINCLAIR: Has the minister considered the question of defining a coasting service in view of the opening of the canal ? At present a coasting voyage on the eastern coast of Canada extends from Labrador down to about the mouth of the Amazon, but no farther. There has been an application from parties connected with the shipping business to have the definition made larger so as to allow coasting vessels to go down to the ports of South America as far as the river Platte. Many of them are getting business that far, and there is no reason, as far as I am aware, why they should not be allowed to go to these southern ports. Then, on the opening of the canal, if we adopt the idea that has prevailed in the United States for many years, we would call it a coasting voyage between the eastern coast of Canada through the canal to the western coast of Canada. I understand that in the United States a voyage from New York to San Francisco is a coasting voyage, although it is around South America at present, and under that system the business is confined to vessels belonging to the United States. This question of defining a coasting voyage is a matter of a good deal of importance to Canadian shipping, and I was wondering if it had been brought to the minister's attention. It is primarily, I suppose, a matter for the Department of Marine and Fisheries, and I have brought it to the attention of the minister of that department during this session. No steps have been taken, but in view of the opening of the canal I think it would be worth while for the Government to consider this question in connection with the coasting trade.

Mr. FOSTER: Primarily and naturally I suppose a coasting voyage is that which proceeds continuously along the coast of the country to which the ship belongs. The United States, as my hon. friend says, smile at such contractions as that, and their coasting voyages, I believe, go as far as the Phillipines and the widest extension they have. The matter is one that belongs to the Customs Department, I think, more than to any other. I do not think the question of definition of a coasting voyage has come up as a serious matter, but in connection with the opening of the Panama canal it is a question that may very well come up for consideration.

Mail subsidies—Canada, Great Britain ocean and mail service, $1,000,000.

Mr. MACDONALD: Might I ask the minister what is being done in that regard?

Mr. FOSTER: The present contract expired at the end of the fiscal year, and communications and conferences are now going on with reference to the service for the coming year. I will ask that this item stand for the present until I have full information before the House.

Mr. SINCLAIR: I would like to suggest to the minister that he consider a sliding scale of subsidies for ships according to their speed. As everybody knows, it is very important that we should have a fast service. At the present time the ships participating in this subsidy have different speeds; the Victorian and the Virginian, I understand, are 16-knot boats; the Empresses are about 18 knots, and I think

the Calgarian and Alsatian are even faster than that. Speed costs money and it would be an encouragement to the owners of ships in this service to get something extra for extra speed. I think it would be a good principle to adopt that when new contracts are made some weight should be given to the speed of the ship, and that more should be paid for a fast ship than for a slower one.

Mr. FOSTER: So far as the mail service is concerned, that principle is perfectly legitimate and ought to be acted upon; and it is acted upon to a certain extent. We are trying to get a fleet of Canadian vessels between our ports and the old country which will give us the greatest possible speed. The ships are being built with satisfactory progress, if not so rapidly as some of us could wish. The Victorian and the Virginian have a nominal speed of 18 knots, but I do not think they made that speed from shore to shore. The Alsatian has a speed of 19½ knots or more, and the Calgarian is expected to be even a little faster.

Mr. SINCLAIR: What is the speed of the Empresses?

Mr. FOSTER: Eighteen-and-a-half knots, and the Royal Edward and the Royal George have a speed of nineteen-and-a-half knots; so that when the Calgarian is in commission our service between here and the old country will run very close to a nineteen-knot service in fairly good weather. That will be an improvement on the old service, and much more satisfactory in a great many ways.

Steam service between Canada and Cuba, $25,000.

Mr. FOSTER: Last year's vote has not been expended. The last contract we had was with the Elder-Dempster line, who went out of this service more than a year ago. The question then came up as to whether we should have a subsidized service between our ports and Cuba; and after communications with shipping firms I received the assurance that they would go into the business, preferably, if a subsidy were granted—of keeping up a communication between Canadian and Cuban ports if they were given assurances that they would not be interfered with by subsidized vessels from Halifax and St. John. I agreed, with the proviso that if the service did not prove to be reasonably good I reserved the right to put on a subsidized service. The service has been carried on by those firms and I think they have fairly met the needs of the two countries. While there is some chance of an export business to Cuba, we have the disadvantage of the preference being given to the United States. Not much is imported into this country from Cuba.

Mr. SINCLAIR: Could not our West Indian service be combined with that?

Mr. FOSTER: No.

Steam serivce between Canada and Newfoundland, $70,000.

Mr. KYTE: Is the service between Halifax and Newfoundland included in that?

Mr. FOSTER: No, this is for the service between Port-aux-Basques and Sydney, which is a daily service, Sunday excepted. The two new boats, the Bruce and the Lintrose, have a speed of fifteen and one-half knots and they make the run between Newfoundland and Sydney in about seven and one-half hours. As to traffic returns, I find that this year there have been carried goods of Canadian origin to the value of $981,000 in round figures, and of United States origin $288,232; and that the total value of the traffic shows a slight increase over 1912. The new boats were not in service except for a portion of last year. With the Lintrose taking the place of a less efficient boat the passenger and freight traffic shows signs of increasing.

Mr. MACDONALD: I had the opportunity of visiting Newfoundland last summer, going via North Sydney to Port-aux-Basques. The new steamer is a splendid boat, and we can congratulate ourselves on Canada's means of communication with the oldest colony to-day. The service is very satisfactory. Of course, they have a very strong competitor in the service which is maintained from New York via Halifax, and which carries a tremendous quantity of American goods to Newfoundland. I do not know whether that service receives a subsidy, I would question the wisdom of subsidizing it, as the thing to be attained is the furtherance of Canadian trade, and a subsidy to that service would really be assisting American trade.

Mr. FOSTER: It receives no subsidy.

Mr. MACDONALD: I am glad to hear it. I thought perhaps the Halifax people, for local purposes, might have asked the minister to subsidize that service. I want to take this opportunity to say to the minister that I do think that the contribution which was announced by the Prime Minister two

weeks ago of $10,000 for the people who have been left homeless in Newfoundland is a very meagre one for the Canadian people to make at this time. Since the date of the announcement of this contribution it appears that the Southern Cross, of whose safety some hopes were entertained, has now, beyond question, gone down with all on board. The situation is that there are a thousand families left absolutely without breadwinners in that colony. I notice that the great city of Toronto gives $5,000, which is one-half of the contribution of the whole Canadian people. I am well aware that in eastern Canada, in the business centres, which have business connections with Newfoundland, the personal generosity of the people will be exercised, but we ought to be exceptionally neighbourly to our own kith and kin in this sister colony, and over and above everything else I think the special duty is thrown upon the whole people of Canada of giving such a contribution as will materially assist in alleviating the distress which has arisen on account of this abnormal calamity. I therefore hope that the Government will be more generous and will increase the contribution with a greater sum than that of $10,000 which was announced by the Prime Minister two weeks ago.

Mr. FOSTER: My hon. friend must keep in mind that the extent of the disaster, as far as the vessels were concerned, and certainly as far as the loss of life was concerned, was not at all known to the Dominion Government when the cable was sent offering our sympathy and aid. But since then the calamity has widened and more and better information has come to hand. Whilst I am not making any promises, the matter will certainly receive more consideration by the Government. We are closely allied in every way with Newfoundland, and a disaster of that kind is one that appeals to Canada from one end of it to the other.

Mr. SINCLAIR: In reference to freight carriage on the subsidized boats, I would like to know if the minister has any system by which he can control the rates. There is a great deal of feeling along the coast that some of the subsidized boats are charging too much for freight. The tendency of subsidizing boats is to drive schooners and other modes of carriage off the routes. On the south coast of Nova Scotia there were a great many schooners carrying freight some years ago, but, as we began the policy of subsidizing boats between Halifax and the eastern ports, the schooners were cut out of the business and driven off the routes. The result is that some of these subsidized boats have put the freights up to what is regarded as an abnormal figure along the coast. When these contracts are being renewed it would appear to me to be a suitable time to see whether, if we have not the power under the law to regulate rates, we can do so by contracts. We could arrange with these people to submit their rates to the minister, and he would approve of them before they would be operative. I received a letter a few days ago from people in my own constituency as to the rates which are being charged by the Scotia, which is one of the subsidized boats on the coast of Nova Scotia. The statement made to me was that under the old rate a barrel of flour was carried from Halifax to the small ports on the southern shore for fifteen cents, and that at the present it costs twenty-eight cents. I made some further inquiries, and I was informed that four cents must be added to the fifteen for wharfage, which would make it nineteen cents under the old rate, and the difference is therefore as between nineteen and twenty-eight cents. That is quite a large addition to make, and I have had a number of complaints of that kind. I would like the minister to say whether he has taken any supervision over the question of rates?

Mr. FOSTER: I have taken supervision in two ways. In the first place, in every one of these contracts there is a clause, which my hon. friend will find in the latter part of the report to which I referred a moment ago, and which provides that the service shall be performed:

> At tariff rates both as to passengers and freight which may be from time to time approved by the minister.

The minister has control. None of these vessels can raise the rate which has been approved in a previous year without first getting the assent of the minister thereto. The other way in which the service is being supervised is by having a supervising officer, who travels on all these routes at least once or twice during the season of navigation, makes notes of these things, and calls them to the attention of the minister. In that way we are keeping a pretty fair supervision over these services. I am having the matter to which my hon. friend has called my attention looked into.

Mr. BLAIN: Is that provision new?

Mr. FOSTER: These last clauses have been added.

At six o'clock the House resumed, and then took recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

PATENT OF THOMAS LEOPOLD WILLSON.

The House in Committee on Bill No. 130, respecting Certain Patents of Leopold Willson.—Mr. Fripp. Mr. Blondin in the Chair.

Mr. NESBITT: Will somebody explain this Bill?

Mr. FRIPP: There are eight patents involved in this. Mr. Willson has been carrying out these patents near Ottawa, and has spent a quarter of a million dollars on them. He now requires a larger plant as well as water-power, and he has interested some Americans, who have acquired water-power, I think, in the province of Quebec. Only two of the patents have not been manufactured, and the desire is to place them in such position that if any person has manufactured in the meantime he shall be protected. There is nothing unusual in the Bill.

Bill reported, read the third time and passed.

PATENT OF RUDOLF GOLDSCHMIDT.

The House in Committee on Bill No. 135, respecting a certain patent of Rudolf Goldschmidt.—Mr. Fripp. Mr. Blondin in the Chair.

Mr. FRIPP: The instruction I have received from the solicitor in this case, is, that Dr. Goldschmidt is associated with Paulsen and Marconi, inventors of wireless telegraphy. Through inadvertence, this patent was allowed to lapse in February last, and he asks to have it renewed, saving the rights of any persons who may have required the right to manufacture in the meantime.

Mr. MICHAEL CLARK: Does a man with a name like that ever do anything inadvertently?

Some hon. MEMBERS: Hear, hear.

Mr. OLIVER: If this Bill is passed, in what position will this man stand as compared with the position he would have stood in had he not allowed the patent to lapse? Is he getting a further extension of time than he otherwise would have been entitled to?

Mr. FRIPP: Yes.

Mr. OLIVER: Then I shall have to register my vote against it.

Mr. FRIPP: No injury is done to anybody. He failed to manufacture within two years and by this Bill he is put under the operation of the license clause, which provides that if any person has obtained from the department a license to manufacture he can proceed to do so.

Mr. EMMERSON: The practice of this House for many years is not to permit Bills of this character to go through, unless the Minister of Agriculture is present to explain them. I believe that it is a very good practice. Bills relating to the renewal of patents ought not be passed in this House without the representative of the Department of Agriculture being present.

Mr. FRIPP: The Deputy Minister of Agriculture was present in the committee and said that this was a proper Bill to pass, and that the department had no objection.

Mr. OLIVER: That does not exactly explain the position in which members of this House are before the country. Each member of the House of Commons has a responsibility to the people of Canada in regard to the protection not only of public right, but of private right. The fact that a Committee of the House has seen fit to pass upon a question of public and of private right does not relieve each individual member of the House of his responsibility in regard to that. The Government is primarily charged with responsibility for administering the patent law. If the responsible minister will from his place in the House of Commons declare that this Bill is a proper Bill, in which the rights of the individual and of the public are adequately protected—to borrow a phrase from the Premier—then each private member of the House is relieved from responsibility in the matter—he has done his duty by the public; but unless and until either there is an expression of opinion from the Committee of the Whole or from the proper minister, the members of the House are not discharging their responsibility to the people who sent them here. For all I know there may be people in my constituency who elected me for the protection of their interests who may be affected by this particular Bill. I have a right to know, on the responsibility of the Government and of the minister, whether that is the case or

not, and I protest very strongly against bills of this class, which necessarily affect intimately private as well as public rights, going through the House without adequate information and an assumption of responsibility by those who are entitled properly to bear that responsibility.

Mr. CARVELL: It is something like ten years since I first protested against the railroading of patent bills through this House. I must confess that my protests have not produced very great results, because it seems that the door is getting wider each year, and it has now reached a stage when a man need not bother whether he follows the law or not; all he has to do is to pay $200 and get his patent renewed. Perhaps the worst offender in the whole 221 of us is my hon. friend the senior member for Ottawa (Mr. Fripp). I do not know why it is; perhaps it is because he is so near the seat of Government that he is chosen as the channel by which these Bills shall be railroaded through. As explained by my hon. friend the senior member for Ottawa, there may be some difference of principle between Bill No. 130 and Bill No. 135. In 1903 Parliament in its wisdom provided that, when a patent is taken out, the patentee can have inserted a provision by which he is exempted from the necessity of manufacturing within two years provided he holds himself ready to lease or sell to another person the right to manufacture the article in Canada. That is done to provide for cases in which there would not be a very large sale, for instance heavy classes of machinery. My recollection of the law is that, either at the time the patent is being taken out or within six months thereafter, application can be made to the Commissioner of Patents to have this clause inserted. In the case of Bill No. 130, which has just passed the committee after the very lucid explanation given by my hon. friend the senior member for Ottawa, possibly no very great harm is done because it only allows the holder of the patent to retain his right and he has to give another person the right to manufacture. As I understand the explanation of the Bill now under discussion, it is on a different principle altogether. The well known patent law of Canada, of the United States and of most European countries is that the patentee must commence the manufacture of his patented article within two years and continue to manufacture the same so that any one may be able to purchase it; otherwise, his patent is void. A patent is a monopoly given by Parliament to a man who invents a new and useful article. The law of the country says: We protect that man to a certain extent; we encourage him to employ his thoughts and ability in seeking out these new devices and we give him a monopoly for a certain number of years providing he complies with certain conditions. This man has been remiss in his duty; he has allowed the matter to drift along and now he comes back to Parliament and says: I was guilty; I was remiss in my duties; I did not fulfil the conditions of the law, but that is nothing. I will pay $200 and you ought to reinstate me in my interest. Supposing I had a note endorsed by a neighbour for $1,000 and on the day of maturity I failed to present that note at the proper place and to send him notice and he said: 'Because you have failed to do what the law demands of you, I will not pay this note,' would not I be laughed to scorn if I came to Parliament and asked to be replaced in my position because I had been negligent? The two cases are parallel. The way these patent Bills are railroaded through Parliament is trifling with justice and with the rights of the people. It has been stated here a great many times that the granting of patents should be taken out of the hands of Parliament. Why not hand the matter over to the department and let the department in some way exercise a discretion that is a discretion? It is all very well for my hon. friend to say that the Deputy Minister of Agriculture was in the committee. I presume he was there, but the deputy minister knows that this Parliament is railroading these patent Bills through by the dozens. We were guilty when members on this side were in power, and our friends are guilty now that they are in power.

Mr. BURNHAM: Is there anything to prevent this man from taking out a new patent?

Mr. CARVELL: Well, the law says—

Mr. BURNHAM: Apart from the law, as a matter of equity?

Mr. CARVELL: I can only state what the law says. He cannot take out a new patent after it has been in force one year. From the equity standpoint, if he sleeps upon his rights and other men have manufactured his article and purchased it, it is not fair that he get a new patent. I had a very important case in my own practice

some five or six years ago where an American patented a logging engine in the United States and also in Canada. His first patent was workable, but he had not manufactured in Canada within the two years. A client of mine spent about $20,000 in building this same machine, not knowing that it was patented. He had gone to the trouble of employing one of the best patent lawyers in Canada, a man having an office in this city to search the record, and he informed my client that there was no patent on that article. The patentee, an American concern, finding that their patent had been infringed upon, brought action in our Chancery Court to prevent my client from continuing the manufacture of the article, and to claim the payment of royalties. It was a long-drawn-out fight, but we won in the end because the patentee had not complied with the law. I cite this instance to my hon. friend to point out that we ought to lay down a definite principle with regard to this matter. Either we should renew these patents or we should not, and if we are going to renew them we should lay down some reasonable rules and hand the matter over to the department to be dealt with according to their discretion.

Mr. FRIPP: The hon. member for Carleton, N.B. (Mr. Carvell), is apparently under some misapprehension; the remarks which he has made with regard to the renewal of patents do not apply to these two cases. We are doing no more than what the Patent Act allows us to do: apply to the commissioner, through this Parliament, for the right to renew these patents under section 44, which gives to any third person who applies for license and shows that he has been manufacturing in the meantime the right to occupy the field in the interim. My hon. friend referred to cases where the patentee neglects to renew his patent within the proper time and thus loses his rights. In these cases the rights are still existing, and under the Patent Act we have the right to ask that this Bill be passed. There is a difference between a patent which lapses by non-renewal and one which has not lapsed unless it be by non-manufacture. If the hon. gentleman will look at the Act he will see that we may apply to the commissioner through Parliament for this right at any time, but we have to give within six months to any third person the right to obtain a license or lease from us of our patent rights to manufacture. The argument that Parliament should not interfere in the case of a patent which fails by reason of non-renewal and the payment of fees is good, but the cases under consideration come not under that head, but under section 44, which provides this very remedy.

Mr. CARVELL: I am satisfied that my hon. friend is labouring under a misapprehension of the law. The law provides that when a man applies for a patent, or six months thereafter, he may be brought under section 44 of the Act, which provides that the commissioner of patents has the power to grant to any person the right to manufacture that article by paying a reasonable royalty. If the parties themselves cannot agree upon the amount of the royalty, the commissioner of patents has the right to settle the matter. Under section 38, if the patentee does not manufacture the article within two years his patent is dead. If after the expiration of from six to twelve years a man has not renewed his patent, it expires. My hon. friend himself admits that we ought not to renew patents under such circumstances, but we are doing it every day. Here is section 38 of the Act:

> Every patent shall, unless otherwise ordered by the commissioner as hereinafter provided, be subject, and expressed to be subject, to the following conditions:
>
> Such patent and all the rights and privileges thereby granted shall cease and determine, and the patent shall be null and void at the end of two years from the date thereof, unless the patentee or his legal representatives, within that period or an authorized extension thereof, commence and after such commencement, continuously carry on in Canada, the construction or manufacture of the invention patented, in such manner that any person desiring to use it may obtain it, or cause it to be made for him at a reasonable price, at some manufactory or establishment for making or constructing it in Canada.

That is the provision which has been violated in this case. The man has not manufactured within two years; his patent is dead, yet my hon. friend is asking this Parliament to give back to him that which he lost by his negligence. This is section 44:

> On the application of the applicant for a patent previous to the issue thereof, or on the application within six months after the issue of a patent of the patentee or his legal representatives, the commissioner, having regard to the nature of the invention, may order that such patent, instead of being subject to the condition with respect to the construction and manufacture of the patented invention hereinbefore provided, shall be subject to the following conditions, that is to say:
>
> Any person at any time while the patent continues in force, may apply to the commis-

sioner by petition for a license to make, construct, use and sell the patented invention.

That is, while the patent is in force, not after it is dead. The section goes on to say:

The existence of one or more licenses shall not be a bar to any order by the commissioner for, or to the granting of a license on any application, under this section, and the patent and all rights and privileges thereby granted shall cease and determine, and the patent shall be null and void, if the commissioner makes an order requiring the owner of the patent to grant any license, and the owner of the patent refuses or neglects to comply with such order within three calendar months next after a copy of it is addressed to him or to his duly authorized agent.

Under this law the patent died because the holder did not manufacture within two years; yet my hon. friend, though he admits that the patent has lapsed through negligence; though he admits that he did not, at the time of application for the patent or within six months afterwards, request that the patent be brought under the conditions of section 44, asks this Parliament to reinstate this man and not only to bring his patent back to life and to give him six additional years in which to carry on business, but to give him as well the right to come within section 44. This section provides that he need not manufacture in Canada; he can signify his willingness to the Commissioner of Patents to give to another person the right to manufacture in Canada.

Progress reported.

PACIFIC, TRANS-CANADA AND HUDSON BAY RAILWAY.

The House in Committee on Bill No. 142, respecting the Pacific, Trans-Canada and Hudson Bay Railway Company.—Mr. Douglas. Mr. Blondin in the Chair.

Mr. OLIVER: That is quite a large order. I do not know if anybody in the House knows anything about this Bill.

Mr. NESBITT: It is a first renewal that came up in the committee yesterday morning and was passed by them with discussion.

Mr. OLIVER: Can the hon. member state where its termini are?

Mr. NESBITT: One terminal is on the Pacific coast north of Prince Rupert, and the line runs along through the north country to the Hudson bay.

Mr. MORPHY: When this Bill was in committee I took an objection to the name of the company. My objection was that, if the Bill goes into effect and the public are invited to subscribe in any way the name carries on its face something calculated to deceive the public, inasmuch as there is at present under construction a Hudson Bay railway. I was informed that the name having been given to the company previously, it seemed hopeless to do anything to change it in the committee. The House will notice that the name also contains the words 'Pacific' and 'Trans-Canada,' incorporating within the one name the names common in a measure to three great systems of railway, either built or building in this country. I thought the name was suspicious. I do not know anything about the incorporation or who is behind this enterprise, but I thought it was my duty to point that out, as I now do, to the House, lest by an improper use of the name—and I cast no reflections as I know nothing about those behind the Bill—the public might hereafter in some way suffer. I notice it is running through similar territory to some of the other roads, and I leave that to the committee and the Whole House for their consideration. I would like to have it discussed.

Mr. BORDEN: In the absence of the mover, it had better stand.

Progress reported.

PRINCE EDWARD AND HASTINGS RAILWAY.

The House in Committee on Bill No. 93, respecting the Prince Edward and Hastings Railway Company.—Mr. Hepburn. Mr. Blondin in the Chair.

Mr. OLIVER: I do not wish to delay the progress of this Bill, but I have asked for explanations in regard to different railway Bills, not because I took exception to the charters, but because it is always possible that special provisions may be inserted in one of these charters that may affect the public interest. When the Chairman of the Railway Committee (Mr. Lancaster) was in the House, he was always able to give the House a thorough explanation as to whether the public interest was being protected or not, and in what manner. It was very satisfactory, to me at least as a responsible member of the House, that that information should be placed upon 'Hansard' as a protection and defence to members under all circumstances. I do not wish to interfere with

the course of legislation, particularly in this case, but in regard to railway charters in western Canada I have always desired to be satisfied as a matter of record that there is nothing in the charter inimical to the public interests.

Mr. BORDEN: I think there is nothing in the Bill out of the usual course, but inasmuch as neither the acting Minister of Railways nor the gentleman whose name appears on the Bill is here, and as the Chairman of the Railway Committee is unfortunately absent through illness, the Bill had better stand.

Progress reported.

GRAND TRUNK-CANADA ATLANTIC.

The House in Committe on Bill No. 154 respecting the Grand Trunk Railway Company of Canada, and the Canada Atlantic Railway Company.—Mr. Fripp, Mr. Blondin in the Chair.

Mr. FRIPP: This is a very simple Bill. The Grand Trunk railway acquired the Canada Atlantic railway some years ago, and this Bill is simply to ratify the agreement consolidating the two companys under the name of the Grand Tunk Railway Company of Canada.

Bill reported, read the third time and passed.

LABRADOR, QUEBEC & SOUTHERN RAILWAY.

The House in Committee on Bill No. 97, to incorporate the All Red Line Railway Company (and recommending that its title be The Labrador, Quebec and Southern Railway Company.)—Mr. Fripp. Mr. Blondin in the Chair.

On section 1—incorporation:

Mr. OLIVER: As the member in whose name the Bill stands is here, perhaps he will give the House a lucid explanation of the Bill.

Mr. FRIPP: This is a new railway charter for a line running from some point on the cost of Labrador to the city of Quebec. It was originally the intention of the promoters of the Bill to run across to the Pacific coast, but the committee cut down the charter to between the two points I have mentioned.

Mr. MACDONALD: As neither the acting Minister of Railways nor the Chairman of the Railway Committee is here, I think the Bill had better stand.

[Mr. Oliver.]

Mr. J. E. ARMSTRONG: The Bill was very carefully considered in the Railway Committee when both the acting Minister of Railways and the Chairman of the Railway Committee were present.

Mr. MACDONALD: We have had so many people seeking railway charters in Canada that when a proposition comes to the House in the way this one originally came—seeking a charter from some harbour in North Labrador which may not be in Canadian territory, but under the jurisdiction of Newfoundland,—and when that proposition has been whittled down by the Railway Committee to a local road from Northern Labrador down to lake St. John, I think under those circumstances we should have a little fuller explanation; especially in view of the fact that propositions of that kind have within them the germ of exploitation, and may not in the end result to the advantage of Canada.

Mr. PARDEE: As my hon. friend says, this society originally sought a charter to cross the continent, but at the last meeting of the Railway Committee the Bill was very much curtailed. A large amount of money has already been spent by this company on plans, surveys, etc. The Bill was thoroughly threshed out in the Railway Committee, and it appears to me that the Bill might pass in its present shape.

Mr. NESBITT: The Railway Committee gave it a good deal of consideration, and passed it in its amended form.

Mr. MACDONALD: Why do these gentlemen come here and ask for a line of railway from Labrador to the Pacific coast, and then appear to be satisfied with a line of railway running through absolutely impossible territory, as everybody knows, from Northern Labrador down to lake St. John?

Mr. BORDEN: I think under the circumstances the Bill had better stand.

Mr. OLIVER: Before the Bill is disposed of, I would suggest that the question raised by my hon. friend from Pictou be considered; that is, as to the jurisdiction of Canada over the Atlantic terminus of this road.

Mr. J. E. ARMSTRONG: That was thoroughly explained in the committee. The railway already has a charter for that portion of the road.

Mr. MACDONALD: That brings up the question as to whether or not this Govern-

ment, having recognized the Newfoundland charter over the disputed territory, is disposed to give full recognition to the rights of Newfoundland. That is a question still to be determined by some independent authority before Canada gives up its full rights.

Mr. BORDEN: I should not think there would be any difficulty in framing legislation committing neither one country nor the other. If the Newfoundland charter is confined to the territory of Newfoundland, whatever it may be without expressly defining it, and if ours is made complimentary to that, I suppose it could be worked out. I think the Bill had better stand.

Progress reported.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill No. 126, for the relief of Ethel Cora Robinson.—Mr. German.

Bill No. 133, for the relief of Johann Andreas Horn.—Mr. Schaffner.

Bill No. 144, for the relief of Henry Elmer Bicknell.—Mr. McCraney.

Bill No. 148, for the relief of George Gracie Smith.—Mr. McKay.

Bill No. 149, for the relief of Harry Cracroft Pugh.—Mr. Douglas.

Bill No. 151, for the relief of Charles Low Hutcheon.—Mr. Fripp.

Bill No. 152, for the relief of Jessie Eleanor Grassett Parkhurst.—Mr. W. H. Bennett.

Bill No. 153, for the relief of William Godfrey Thorp.—Mr. Carvell.

Bill No. 131, respecting The Sterling Life Assurance Company of Canada.—Mr. Buchanan.

Bill No. 117, respecting the Montreal and Lake Victoria Railway Company.—Mr. Achim.

SECOND READING.

Bill No. 155, for the relief of Bertha Hétu.—Mr. Oliver.

SUPPLY.

The House in Committee of Supply.

Steam service or services between Canada and Newfoundland, $7,000.

Mr. BLAIN: I understand that there is now a better inspection of these subsidized steamship services by the Department of Trade and Commerce than there has been hitherto.

Hon. Geo. E. FOSTER (Minister of Trade and Commerce): The inspection of these subsidized steamship services is now a branch of the Department of Trade and Commerce. Until within two years ago, there was really no supervision of these services at all. We entered into contracts with these different companies, and we exercised as much oversight as we could from the department itself, but we had no system of examination and report in any way. For instance, a claim was made for the opening up of a new route, and that was decided, probably in the minister's office, or somewhere between the club and his office, in conversation, as gentlemen were passing. So far as the conduct of the service was concerned we sometimes got complaints, and then made some examination of these complaints and found out certain things. That seemed to me to be irregular in several ways, so that I appointed a superintendent of these subsidized steamship services, and for the past two years he has been carrying on this work. He has made a yearly trip and inspection of each one of these services on the eastern coast of Canada.

9 p.m.

Mr. SINCLAIR: Who is this officer?

Mr. FOSTER: Mr. Tupper. If there are applications for new services, he is instructed to go over the routes and report upon the population, the number of towns and villages, the business which would probably offer, and that report gives some guidance to the department, as to whether the application is worth considering and as to how far it ought to be considered. These small services, without supervision, got into slovenly ways; the sanitary conditions were bad; the life-saving apparatus was deficient, the conduct of the vessel during the service was not in point of order what it should be. All these things are taken up by the supervisor, and he reports upon them, and points out the deficiencies, and then the department is in a position to write to these gentlemen and say: you must have such and such put in proper shape. That supervision is jacking up the service, and there has been great improvement. Sometimes vessels are found to be of inferior standard, and notice can be given that a better vessel must be provided or no subsidy will be paid, and in some cases we have got better vessels. Before this inspection was instituted, there was no means of checking up whether a subsidy was greater or less than should be granted, and in order to get at that, there has been embodied in the contract a clause

by which these steamship services are to give thorough statements of their expenses and revenues in reasonable detail. We have then, at least, a basis for a judgment as to whether too large or too small a subsidy is paid. You can then deal more justly with these services, giving those that are worth it a little advance in the subsidy, if that be thought necessary, or, bringing down those which have too much to what is reasonable, but I must say that our subsidies, as a rule, are not placed upon any unreasonable basis. In this way, the different services are, I think, being gradually placed upon a more satisfactory footing.

Mr. A. A. McLEAN: Has an application been made recently to subsidize a line of steamers between Halifax, Charlottetown, Sydney, and southern Newfoundland? The trade of that portion of Newfoundland is rapidly increasing, but I fear it is going into the hands of the Americans. The trade of Newfoundland last year amounted to over $14,000,000, and we only captured about $4,600,000 of that, while the United States took $5,000,000, and Great Britain $4,000,000. My opinion is that Canada is neglecting the best paying portion of the trade of Newfoundland by not subsidizing steamers to carry it on. There is a very paying trade in the southern part of Newfoundland, and the people there require our manufactured goods, our breadstuffs, and farm products. If a line were subsidized to carry those manufactured articles to that part of Newfoundland, it would be of great advantage to the people of Canada. The population of Newfoundland is now, I suppose, about 245,000 and is increasing at the rate of 25,000 every ten years. We ought to cater to the trade of that country and to look after it better than we do after the trade of more distant places. It costs less to put our goods on the markets of Newfoundland than to put them on the markets of New Zealand or Australia. We are neglecting places near at hand for places far away. I would ask the minister to look into the matter and see if the trade between Canada and Newfoundland cannot be increased and if better inducements cannot be held out to our people to deal with Newfoundland. The fishermen of Newfoundland are becoming very prosperous and have money to pay for our goods, and it is the duty of this Government to see that the people of Canada get their fair share of the trade of that colony.

Mr. GEORGE E. FOSTER: The trade between Canada and Newfoundland, although not of the largest, is still an important trade, as my hon. friend has said. It is also fair to say that the trade services in connection with the Newfoundland trade have been pretty carefully looked after. The trade between Canada and Newfoundland, taking the latest figures that we have, shows a gradual growth. The total imports of merchandise from Newfoundland during the last year were $2,057,297, an increase of about $250,000 over the preceding year, and the largest in the history of the trade between Newfoundland and Canada. The exports amounted to $4,472,717, an increase of $350,000 over the preceding year, and the largest by far of any in the history of the trade between the two countries. That makes a total trade of $6,530,014. We have five or six services between Canadian ports and Newfoundland, some of which are of a very superior order. The service between Sydney and Port-aux-Basques is one of the best we have on our coast—good vessels with good speed and so far as I can learn, well managed. Then, we have a service from Halifax to Great Britain with a regular call at St. John's. We have also a service between Montreal and Newfoundland, with calls at Prince Edward Island ports, allowing of the export of Prince Edward Island goods, as my hon. friend has intimated. Then, we have two other services running out of Halifax which skirt along the southwestern coast of Newfoundland. An application is before the department at the present time for a new service from Halifax via Mulgrave, touching at Prince Edward Island, skirting over to Cape Breton island and thence to Newfoundland. That service is now under consideration, but a decision has not yet been arrived at.

Mr. MACDONALD: Who are the applicants for that?

Mr. FOSTER: The applicants are Farquhars, the same firm that runs the Seal at the present time. The Seal is a very good boat and is giving a very good service, and that firm is a good firm in the trade service. While it is true that we ought to do everything possible to increase trade—and one means is by subsidized service—there is still a limit, and we have both coasts to cater to and satisfy as far as possible. We have to look a little to the amount of money that it is supposed we can put upon these services. Our trade in the last

two or three years in Newfoundland is gaining in competition with the United States. The latter country has, however, a very good service running as far as Halifax and calling at St. John's, which gives them very direct and very prompt service and we have to compete with that.

Mr. SINCLAIR: Are the reports made by the superintendent, Mr. Tupper, available for the members?

Mr. FOSTER: Yes, in Part VI of the reports of the Department of Trade and Commerce.

Mr. SINCLAIR: I have seen the abstracts in the blue book, but the report itself I suppose is much fuller.

Mr. FOSTER: The report contains a special report for every service, and it is in a certain way at the service of the House, but these reports have sometimes confidential parts, so that we have to be a little judicious as to whether they shall become public property or not. They are primarily for the information of the department, and then, in so far as they can be made common to the members, for their information. If any member who is interested in any service will come over to the department, I shall be very glad to give him an opportunity of looking at the reports, and in some cases they may be brought to the House.

Mr. SINCLAIR: I was going to suggest that the minister should show us the reports, if he has any, of the service between Halifax and St. John's, Newfoundland, and Liverpool. This is an old hardy annual that we have been voting for a great many years. If the minister can show that report, it will be interesting to myself to see it, as I have never been able to see the justification for this service. It is simply a service to carry deals in the Furness-Withy boats, in competition with tramp vessels that are doing the same business. So far as I can learn, there is no business done of any advantage to Canada that cannot be done without this service, unless the connection between Halifax and Newfoundland is important. As far as traffic between Halifax and Liverpool is concerned, there is no necessity for paying a dollar to any ship for doing the work that these boats are doing, because they are simply pocketing $20,000 of the public money for work that can be done and is being done just as well by ships that do not get any subsidies. This matter has been before the House several times. I do not know whether the present minister promised to look into it or not; but the former minister did, and I never could understand why it was not attended to.

Mr. FOSTER: Perhaps my hon. friend will defer the matter until we come to that item, when I will give him all the information I have in regard to it.

Mr. OLIVER: The hon. member for Guysborough, in dealing with the item before the House, brought up a question of principle that may have a very wide application and may lead to an understanding of a difficulty that has been up for consideration in the House on former occasions. I would like to have the views of the minister with regard to that matter; I refer to the effect upon the rates of the subsidies granted to coastal services. If I understood the hon. member for Guysborough correctly, he offered the suggestion that the paying of subsidies for coastal services had the effect of increasing rather than of reducing the rates. We are facing a condition of increased rates across the ocean. Is there not a possibility that like causes have produced like effects, and that, as a matter of fact, the bonuses or subsidies that we have paid for our cross-Atlantic services are the foundation reason for that condition of monopoly in transportation and continual increase in rates that has taken place during recent years? I need not argue how very important this question is, and how very desirable it is that the House and the country should know where the trouble comes from, if it is possible to find the source of that trouble. The minister has said that in regard to the coastal services he has taken means to inspect, to regulate, and control; but after he has inspected and regulated and controlled, the outstanding fact remains that according to the assertion of the hon. member for Guysborough it costs more to carry a barrel of flour between two certain points on the coast of Nova Scotia to-day than it did before subsidies were paid; and it also costs more to carry a barrel of flour or a bushel of wheat from Montreal to Liverpool to-day than it did when subsidies were very much less than they are at the present time. May I suggest, although I am not a maritime man, that just as the subsidy is enabling steamers in coastal services to drive sailing competitors out of the same business, so the subsidy that is

paid to the Atlantic liner enables the liner to drive the tramp from the port of Montreal and then enables the liner to raise its freight rates against Canadian business. The facts in regard to the conditions of the coastal services are established; the facts in regard to the conditions of the cross-Atlantic services are established. As to the reasons for those conditions, if we accept those given by the hon. member for Guysborough in the case of the coastal service, we are almost compelled to accept the like reasons for the like conditions in regard to the cross-Atlantic service. As a matter of fact the Dominion of Canada is paying immense sums of money year by year to our steamship lines crossing the Atlantic, with the result that instead of our getting a cheaper service we are getting a dearer service. I take the liberty of putting this suggestion before the minister at this stage, whether or not I am in order, because it seems to me that the reasoning is apt, having regard to the assertion of the hon. member for Guysborough and to the fact that the matter is one of such paramount importance to the well-being of this country.

Mr. FOSTER: I suppose it is not profitable to devote a little time to the discussion of a question so wide and so important as the one which my hon. friend has just raised, but whether we should attempt that to-night or take occasion to discuss it when there are a greater number of members in the House is a question of which hon. gentlemen in this committee will have to be the judges. I do not think that anything that has been said by the hon. member for Guysborough has laid a stable foundation for the deduction that my hon. friend has just made: that the rates on our coastal services have been raised because of the subsidies which are being granted. The hon. member for Guysborough mentioned one or two specific cases on one route, which have not at all been examined or looked into. Of course, I am not questioning the information of my hon. friend.

Mr. SINCLAIR: The point I desire to make is that as you pay subsidies to coastal steamers you drive the schooners and the other methods of transportation off the line, and on that account the greatest care is required by the department with a view to seeing that the rates are carefully guarded.

Mr. FOSTER: That is a perfectly legitimate point, but that hardly lays the foundation for the sweeping conclusion of the hon. member for Edmonton that the coastal service rates are going up because of the payment of subsidies. The hon. member for Guysborough did not go that far.

Mr. OLIVER: That is exactly how far he did go.

Mr. FOSTER: Then I do not understand him, or he does not understand me.

Mr. SINCLAIR: I think that it is the fact that the tendency of the rates is to go upward, but I do not know of any specific cases except that of the Scotia, which I have mentioned.

Mr. FOSTER: The Scotia is only one out of probably 75 or 100 services, and the case which has been cited with reference to the Scotia has regard only to the cost of transporting a barrel of flour and some other things. What I am trying to maintain is that the assertion of the hon. member for Guysborough is hardly a sufficient basis for the sweeping assertion that the rates of our coastal services are all going up because we are feeding them with subsidies.

Mr. SINCLAIR: Will the hon. minister say they are not going up?

Mr. FOSTER: I think I am quite right in saying that within the last three years there has been very little, if any, increase in prices on our coastal services.

Mr. MACDONALD: They are subject to your supervision, are they not?

Mr. FOSTER: They are subject to the supervision of the department, and not a single case would occur of allowing them to raise their rates unless it came before the minister himself. I am quite certain that in the two or three years that I have been in charge of this department I have not sanctioned the raising of rates, so far as I can remember, in a single instance. There have been instances in which they have been brought down, but as a general rule the rates in our coastal services for the carriage of products are very reasonable and very low; I do not think that any of our coastal services are making very much money out of the operation of their vessels. With most of them the plea is that they are not making even a reasonable wage for their own supervision, to say nothing of a return on the capital they have invested, and there are few of them who are paying, out of the subsidies we give and the earnings they make, dividends to their

shareholders. So I think we are on a pretty good basis as far as that is concerned in respect to the coastal service, and I do not think the hon. member for Edmonton, if he made a full investigation would find that he could base such a deduction as he has drawn to-night. Of course, the old schooner is gone. The hon. member for Guysborough never expects to see her back again in these days of steam and electrical power. There is a place for the old schooner, or for the new schooner to be built, or for the sailing vessel, but it is a place which is narrowing every day of the year and every year of our existence. Steam and motor communication takes its place.

With reference to the ocean service, I think conditions are very different. I do not believe that there is any combine, any conference, any pool in our coastal services; at least if there is I have not come across any symptoms or any points which would lead me to come to that conclusion. But with ocean steamers and those engaged in the world's traffic there is an opportunity for conventions, combines and pools, and there is not a league of the sea in which steamships are not traversing the routes of trade under conventions and arrangements and pools, one with the other, which are carried out the wide world over. One of the most exhaustive examinations that has ever taken place into ocean rates has lately been concluded in the Congress of the United States. I have not been able to read all of the evidence, but I have read the report, and it is instructive to see the outcome of that examination. In the conclusions arrived at by that committee—and a very able committee I believe it was—they find, speaking generally, that pools, conventions, arrangements, typify the world's seaborne services; that they do exist at the present time; and the committee comes to the conclusion that if they are reasonably carried out they are not only for the benefit of the carriers, but for the benefit of the shippers. The whole thing depends on whether these arrangements are reasonably made and reasonably carried out. In their conclusions they come to these two chief points, first that it is not practicable to prohibit conference arrangements and pooling arrangements and arrangements of different kinds between the different branches of the merchant service of the world. That it is not advisable in the general interests either of the carrier or the shipper that they should be prohibited; but that what is needed is a system of reasonable control of these services the wide world over, which would be a tremendous undertaking. They have recommended, so far as the United States is concerned, that the control of ocean traffic be taken over by the Interstate Commerce Commission, with enlarged powers and with certain additions to its force of traffic experts as far as seaboard commerce is concerned, and that an attempt be made, which they consider to be the sanest method of approaching and meeting the difficulties, by a system of control of rates. We are to a certain extent confronted with the same problems in our ocean-going commerce between Canadian ports and Great Britain and European ports. A very exhaustive examination was made by a Royal Commission in Great Britain not many years ago on this very thing and the matter has been agitated a lot. I think I explained to the House on one occasion that the British Government and the Canadian Government came to the conclusion to relegate the matter to the dominions royal commission and to authorize them to make an inquiry into these matters of freight rates on produce between Great Britain and Canada and, after having found out the facts, to base their recommendations upon the facts as they found them with a view to establishing a system of control which shall be jointly exercised by Great Britain and Canada so it will have a force and efficacy which it is impossible for Canada for instance to secure herself. The commission have already taken it up in Great Britain and in their trip to Canada they will hold sessions in the various parts of the country and take evidence upon that subject. The shippers will have every facility for putting their case and the carriers will have every facility for putting their case and both will be examined as thoroughly as the commission can do it, in order to arrive, if possible, at the facts in the case. The authority and power of Canada to exercise control over ocean rates is nil, looked at from one point of view, and restricted, looked at from another point of view. We may be told that where we subsidize a line we have authority to a certain extent to control rates. Theoretically we have; practically it is very difficult to do that with reference to ocean carriers. It could be done much more effectively if a system of control could be carried out by Great Britain and Canada jointly.

When you come to exercise the small control that you have in view of the subsidy that you give to a few of the carrying lines, you begin to realize how small the power really is to regulate by virtue of these subsidies. Another proposition which has been up before the Government and that has been heard is that the Government shall itself undertake to buy for itself or charter vessels and to carry on a freight service between the ports in Canada and the ports of Great Britain and that they shall cater for the farmer and the shipper of this country and carry freight at cost rates or near cost rates. Any hon. gentleman who thinks of that for a little will see that it is not a light or an easy thing for a Government to undertake. It has been undertaken by governments. In Australia I met with instances of it, particularly with reference to West Australia where it was carried out. In all the evidence I was able to get I could not find that it had been successful in the aim it had or that it had paid the State to undertake the service in the way they did. Perhaps few of us, may be none of us, understand very thoroughly the position of the steamship companies in this regard. My hon. friend from Edmonton said that rates have been raised.

Mr. OLIVER: Doubled.

Mr. FOSTER: Since the cost of everything has very largely increased in late years, is it not reasonable that rates of carriage by sea should also have been raised? If it costs a ship more for coal, for supplies, and for service than it did, I think it cannot be denied that there should be some remuneration for that increased cost in the way of rates. You may say that the huge vessels of to-day carry very large quantities compared with the quantities carried in former days, but large capacity in a vessel adds immensely to the first cost and to the daily maintenance expenses. If we took one of these first-class vessels plying between Canada and the old country, and inquired into the cost of the ship, the cost of her up-keep, and the revenues derivable from passengers and freights, I think it would probably make us a little more temperate in our statements with reference to the inordinate greed and exorbitant rates of steamship companies. There is the possibility of going too far on the line of reducing freights, and there is need for some system—not yet organized in any country of the world that I know of—which will guarantee reasonable charges for ocean carriage. In a country like Canada where it is possible by legislation to control freights on all goods carried by land, and where immense sums are invested in transport facilities, the argument is a strong one that if we guard and guide our expensive investments by regulations and control of freights on land, we ought not to lose the benefit of that regulation the moment our goods take the sea to be carried the remainder of their journey on ocean vessels. I think that argument is a perfectly good one, and the only thing is to get some method of deciding what is a reasonable charge. I am not going to pose as an expert on shipping because I am not, but we all know that shipping is more variable than probably any other kind of transport. Transport by railway is comparatively uniform and steady, and it is impossible—although we have gone a great way towards making it possible—to get, in the course of a few months, a new railroad running over the same course that an older railway has been travelling for years. On the ocean, however, the steamships can go wherever they like; they do not have to lay down tracks for themselves and are not subject to those stable restrictions that land carriage is subject to. The consequence is that the variations in ocean carriage are immensely greater, are less uniform, and more sudden than they are on land. It was so in the time of the old schooners in New Brunswick. They had their periods of great prosperity, and they sank into periods of equally great depression. They made money at certain times and lost money at other times, and that is one of the difficulties that we meet with when we try to regulate, or even talk of regulating, ocean traffic.

Mr. OLIVER: I am sure the committee is under an obligation to the minister for the very full statement he has made, so far as it has gone, but I wish to get at one or two points. First of all, as my hon. friend has appointed a commission to regulate coastal service rates as a condition of payment of subsidy, it seems reasonable that he should do the same in regard to the transatlantic service, in aid of which we are paying very large sums of money. Surely the payment of that money could be made conditional upon some measure of control similar to that exercised over the coastal service, and exercised in somewhat the same manner. In regard to the increased rates in the coastal service as the result of no competition, which, in turn, is the result measureably of the advantage which certain lines have by reason of the

subsidies they have received, I think my hon. friend will agree that regulation of the coastal service rates is an absolute necessity under those conditions. The fact that he has established such a regulation is evidence of its necessity. When these people took advantage of their monopoly of the traffic, which came to them largely because of subsidies, the minister found it necessary to regulate the rates in order that the people should get the benefit of the subsidy they were paying. And so in regard to ocean rates. I say that when we pay a subsidy we ought to have some measure of control over the rates, and I am urging that the minister consider that point in due course and deal with it as may be possible.

Some little time ago there was a discussion in the House, in the course of which it was pointed out that a very large proportion of the grain of western Canada found its route to market by way of Buffalo and New York instead of by way of Montreal. One reason for that was because the rates from New York to Liverpool were less than the rates from Montreal to Liverpool. The reason why the rates from New York to Liverpool were less than the rates from Montreal to Liverpool was because New York was accessible to the tramp steamer and Montreal was not. Conditions at Montreal being as they are, insurance being high and the trade restricted, it is possible for the subsidized Canadian steamship lines to keep the tramp steamers out of Montreal and as a consequence the rates from Montreal are higher than the rates from New York although the distance is less because the tramp steamer gives competition to New York which it does not give to Montreal. The argument is that the condition of higher rates for Canadian freight across the ocean is exaggerated by the amount of money the people of Canada pay in subsidies towards the steamship lines. That is a startling view of the situation. I certainly was startled when I heard my hon. friend from Guysborough (Mr. Sinclair) make the statement he did but it struck me that it was desirable that the matter should be drawn to the attention of the House and that we should have the best information the minister can give us in regard to it. There is no doubt about the tremendous disadvantage that the present high rates are to the development of the agricultural industry of western Canada. There is no doubt that it rests as a wet blanket upon the development of our country and if it is in any degree the fact that it is the result of the money that we are paying certainly it is a startling condition and one that calls for very close attention on the part of the authorities.

Mr. SINCLAIR: I think the minister will find that these matters are regulated by supply and demand and that it is practically impossible to control these rates. Suppose we did undertake to say what the rates on 100 pounds of flour, or a standard of lumber, would be from Montreal to Liverpool, the ship would not necessarily come to Montreal. The bulk of the freight business on the ocean is done by tramp vessels, and there is no combine among them, never has been and never can be when they are owned all over the world by various owners who are competing one with another for every freight that is available for carriage. If there are a million bushels of wheat to be carried from Montreal to Liverpool, it is put on the board in London, they all bid against one another, and the ship that will carry the wheat for the lowest rate will get the contract. That is the history of the business. If we should impose a certain rate and say that such and such will be the rate for wheat, or lumber, or any of the exports we send abroad from Montreal to the west coast of England or anywhere else, the result would be that the ships would go somewhere else. Our traffic is only a very small part of the traffic of the ocean. I have on my desk a very interesting little book written by Sir Norman Hill, Secretary of the Liverpool Steamship Owners' Association, relating to the question of the Dominion's Royal Commission, to which my hon. friend referred, and I have no doubt that the minister is also familiar more or less with the contents of this book. Sir Norman Hill is an expert upon the question and he gives a great deal of interesting information. One of the things that is pointed out here is that, taking the total tonnage carried by British ships throughout the world, Canada only represents 4·7 per cent. All the business that British ships get from Canada is a little over 4 per cent of the carrying trade they do throughout the world. You can therefore see that we cannot control it and that if we attempt to put up the rates on lumber or flour or any of these articles and to say that that shall be the rate from Montreal

10 p.m.

to Liverpool the ships would not take it if they could make a penny more by going to the River Plate for wheat, or to any other part of the world, for the whole world is open and a ship may go where she pleases. If she can get a penny a hundred weight more in the Black sea she will go there. Consequently, if we put the rate lower than the level of what is a good profit from other parts of the world, the ships will not come to Montreal at all, and the consequence will be that we will have to pay more to induce them to come. That will be the result. That has been the result in Australia in connection with the attempt they have made to regulate bills of lading and freight rates. It has been the result in the United States in connection with the Harter Act and it will be the result in Canada if we impose restrictions of that kind. I find from this book that in 1911 the number of British ships engaged in the ocean trade was 4,102 and that of these 1,262 were liners and 2,840 tramps. Out of a total tonnage of 9,653,015 tons, the tramps represented a tonnage of 5,770,000 tons showing that there is a much larger tonnage represented by the tramp vessels than by the liners. The liners which are receiving subsidies from various governments might in some way be controlled, but I am not able to understand how any single government can control tramps in their trade.

There is just one way, in my mind, of getting our freight rates down and of making them lower and more reasonable and that is by importing more goods. Increase the British preference so as to enable them to get return cargoes from Great Britain to Canada and in the way the outgoing cargoes will be cheaper. If you will look at the daily reports in the shipping newspapers which are found on the tables in the Library you will see that the most important trade carried on by British ships is the trade between Great Britain and the River Plate. The ships carry out large quantities of coal from Wales, Newcastle, and so on, to the River Plate. The cargo they usually get on the return trip to Great Britain is grain or cattle. Comparing the rates from day to day, you will find that as the rate on grain goes up from the River Plate to Great Britain the rate on coal goes down and as the rate on coal goes up the rate on grain goes down. This means that a ship must have an average rate for her voyage out and back, and that both trips have to be counted to get that average rate. If we in Canada, insist on refusing to import goods from Great Britain, we may expect to pay higher ocean freight rates for our exports to that country. I thought it worth while to contribute this much to the debate, to show the view set forth in this very interesting pamphlet published by Norman Hill.

Mr. STEELE: The question we are now discussing is of very great interest to the agriculturists of Canada. I have listened with very great interest to the statements made by the hon. Minister of Trade and Commerce, by the hon. member for Edmonton (Mr. Oliver), and by the hon. member for Guysborough (Mr. Sinclair), but I fear they have offered no solution for the existing difficulty. The hon. member for Edmonton said that the present condition of high ocean freight rates is a great disadvantage to the agricultural interests of this country, and that we all must admit and cannot dispute. We have also the statement of the hon. member for Guysborough that it is almost impossible to control ocean freight rates, and that if we attempt to control them the vessels will avoid our ports and in that way refuse to carry out produce. This question of ocean freight rates between Canada and Europe is, as we know, from the statement of the minister, under investigation at the present time. As a matter of fact it has been under investigation for a long time past, and we cannot tell how much longer it will take. I point out that the existing condition is of great disadvantage to the farming and other interests of this country, and that it is not likely to be remedied in the near future. If the shipping interests are aware that a question of this kind is to be investigated by a commission, rather than to be dealt with directly by the Government, they are encouraged to put on higher rates, because they know it will take several years before a commission can investigate and report, and, in the meantime, they will enjoy the highest possible rates they can get. If, after a number of years a commission should report that the rates are too high, the companies stand to lose nothing, because, in the interim, they will have reaped the advantage of the high rates. I do not know whether the policy which I would advocate is practical or not, but it does seem to me that the common sense method of dealing with this matter is for the Government to put on a line of Government-owned and Government-controlled steamers, for the purpose of carrying our agricultural products of Canada to Europe, and such return cargo as can be got. The

existing condition works great disadvantage to our people, and it is a condition that requires prompt and effective treatment. Why, instead of appointing a commission to investigate the matter, which will take years and years to come to any conclusion, do we not deal with it in a way which will check this evil at once. This suggestion is somewhat radical; it is perhaps too radical for this Parliament, but it does seem to me to be the common sense and effective method of dealing with the difficulty. I trust this matter will be given further consideration by the minister; that in the end some scheme of that kind will be adopted, that the shipping interests of the North Atlantic will be given notice that these high rates will not be any longer tolerated, and that the agricultural interests of Canada must be protected against them. I would like to hear from the minister as to what are the prospects of this Parliament obtaining control over the North Atlantic ocean freight rates. We have American vessels, British vessels, German vessels, Canadian vessels, and it seems to me it would be a complicated matter to organize any tribunal which would have effective control over these various interests.

Mr. SINCLAIR: There is a great fluctuation in these freight rates. For example, about nine months ago you had to pay 60 shillings for cotton from Savannah to Liverpool, but to-day the rate is only 32 shillings for the same freight over the same route. The rates, at present, are extremely low all over the world; they have taken a great drop within the last few months. The trouble about the proposal of my hon. friend (Mr. Steele) is that he would find difficulty in getting work for his ships the whole year around. If he put them into the wheat-carrying trade on the St. Lawrence, I am sure he would not know what to do with them when the season for that trade had closed. If the Government should go into the shipping business they will find they have a bigger contract on hand than any they have undertaken yet. But, of course, all these things are worth considering.

Mr. FOSTER: I am afraid that I cannot give my hon. friend (Mr. Steele) a statement which will satisfy him. There are very great difficulties to be met with in any attempt to prohibit, control, or regulate traffic which is world-wide and international. We could do it, of course, in the case of vessels plying between our ports on the Great Lakes, or coasting vessels, where we would run no risk of any contingency which would inevitably occur when we came to deal with traffic of an international character. Another difficulty would be, that if the Government is going into the business of moving the agricultural products of the country, how could it refuse to go into the business of moving the products which are imported into the country, and which the farmers, amongst others, consume. The importing people of this country are just as strongly against the rates of the steamships as are the exporting people who are sending out the natural products of the country. Both of them, and for the very same reason, want the rates reduced, declaring that they are too high. If you take up those interests, you have to take up the interests of other producers, and the Government immediately goes into a national system of transportation in competition with the wide world. That has its difficulties, one of which has been spoken of by my hon. friend. In matters of other than trivial concerns, our relief takes a great deal of time to bring about. A small matter can be quickly regulated; you can take it into your own hand; but when it comes to the planets, it takes Providence with all the force of the ages to keep them within their orbits. While those are extreme things to contrast, what I want to bring out is the great difference between managing small and local concerns and managing concerns which run into world-wide interests.

There is always one saving consideration: that is, that competition, whatever we may say, is a mighty big force notwithstanding all your pools and conferences and everything else. Competition upon the sea is a much easier thing than competition by land, and in sea-borne commerce that competition is constantly exerting itself. Last year there came into the river St. Lawrence some fifty or sixty tramp vessels which took out from that river between 6,000,000 and 9,000,000 bushels of grain. These tramp vessels were in no pool and were competitors of the liners. Do not let us run away with the assumption that the liners are necessarily enemies of tramp steamers. I do not think they are. The liner which comes into Montreal harbour and lies at the dock is a vessel which takes high-class freight and which caters to a very wide area; and bulk products like wheat, she takes only as a last resort. If she cannot fill up with other freight, she will take wheat; and if she has a hold big enough for a thousand bushels

of wheat she will take the wheat. If she cannot get 5 cents for it, she will take 2 cents; and if she cannot get 2 cents she will take 1½ cents, or anything that will pay for the cost. You could not possibly make a head against all those forces by a Government system of carriage, which would have politically and economically to widen itself to all the demands of all the producers and of all the consumers in this country. The tramp steamers would still exist; our Government vessels would not drive them off the face of the ocean; they would come and take the wheat, as they did out of Montreal last year, and would leave our Government steamers there. Of course, there is the ready answer to this that the Government would be able to stand the loss, supposing they made one. But the Government, after all, is all the people aggregated, and every man has to pay his shot into the locker.

Mr. SINCLAIR: Has the minister made any progress in regard to the insurance rates on the St. Lawrence? The high rates are one reason why the tramp steamers are kept away from the St. Lawrence. Some intimation was given that the Government was looking into the matter, and I would like to know if the minister has had any success in lowering the rates.

Mr. FOSTER: We Canadians are optimistic and we rightly stand by the statement that we are the best country in the world and can do almost anything; but we are still subject to atmospheric storms and geographical conditions. No matter what advantages we have, we have some disadvantages, amongst which is our geographical position, and the question of insurance plays a great part in that respect with reference to our freight. Whether rightly or wrongly, insurance rates are higher for the St. Lawrence and for ports along a certain range of north Atlantic territory than they are for those that lie to the south. We may think that this is not right, that it is unjust. We may say: Look at our buoys, our lights, at the immense sums we have expended; see how we have made almost a lighted street of the St. Lawrence until you get out past the Strait of Belle Isle. Yet when you go to the hard-headed men of business who manage the marine insurance of the world, and talk to them, they simply meet you with the statement: It is all a matter of demand and supply, and the rates are higher there because in the working out of the insurance business it has been demonstrated to us that we must have higher rates or else make greater losses. My hon. friend has said that some intimation was given that the Government was looking into the matter. So they were; and I think I made the statement myself that if the men who are interested in the Dominion of Canada will organize themselves into a combination and put their capital behind it in order to bring about a system of insurance which will make it easier for vessels, tramp and others, to come into the St. Lawrence and what you may call the interdicted ports, so far as higher charges are concerned on the Atlantic, the Government is sympathetic to a movement of that kind and will help it. That challenge has been made; but the shipping interests have not taken advantage of it; they have not organized themselves. If they would do so and would put themselves behind an organization to help to make matters better, the Government would be quite willing to assist them materially in doing it; but the Government is hardly in a position to ask the people to take the matter of insurance into their own hands for that part of the Atlantic, and to bear the risks and burdens and what is also a very great item, the conduct and management. There again is an item which bulks large when any demand is made that we undertake a Canadian system for carrying the freight of this country that is to be managed on business principles. It is a very difficult thing for a Government; and I, for my part, feel that the matter should be very gravely considered before the Government of Canada should undertake to do the ocean-carrying business of the Dominion of Canada.

Mr. BURNHAM: Representing a large number of farmers who have often expressed their opinion to me on these matters, I feel it my duty to say that this difficulty which is presented in various forms, whilst being undeniable, is not insurmountable. The hon. minister has just outlined the fact that the problem before him is difficult and the Government hesitates to undertake to solve it, but that does not excuse the Government. Great Governments will do great things. If this country were at war, they would take possession of all the means of transport, guard all the avenues of output and of import and see to everything. Napoleon once held Europe in the palm of his hand. He

blockaded the whole continent of Europe at one time.

Mr. FOSTER: Yes, and Europe had a hard time of it for many years.

Mr. BURNHAM: Yes, because he was in supreme control; that only emphasizes the point I am trying to make. Surely in this age we are not going to throw up our hands and say, because a difficulty is a great one, that it is therefore insoluble. The very fact that some system of national insurance could be contrived, if the different interests of the country would bind themselves together for that purpose, shows conclusively and at a glance that it is the Government's duty, as representing the people, to undertake that very thing. That is the function of government. People combine in communities and in nations for the purpose of having combined interests and of managing them in a combined or national way. Governments, I submit, are elected for that purpose and accordingly as they display capacity for administration, so do they make for the success of the national interests, as well as of the individual. If the farmers must be told that their produce will have to run the chances of an inclement clime, of rivers difficult of navigation and of all the other troubles that arise in a country like this; if that is the final finding of this Government, why then we must accept it. If it is a correct finding, we must resign ourselves to our fate, but the simple fact that the problem is a difficult one is surely no excuse for leaving it unsolved.

Mr. J. J. HUGHES: Change the Government.

Mr. BURNHAM: That would only make it worse. We surely may expect that such a minister as we have will grapple with great things and solve them. We have tremendous means of internal transportation, but we are blocked by the sea. For my part, I have been thinking this question over for many years; I have been reading it up to the best of my ability and associating myself with those who understand it, and I must confess that I do not understand it, notwithstanding the fact that I have brought myself in contact with those whose interests are most involved. I cannot help saying however that I view with great disappointment any statement to the effect that another year is about to close without some supreme effort being made to solve this question. It is all very well having commissions of various kinds who bring in ineffectual findings, which are pigeonholed and that is the end of it; we farmers want to see these things grappled with; we want to see them solved. Speaking in a somewhat radical way, I think that if a government at any time finds that it cannot do things, it is that government's duty to give place to another. I am speaking in a genral way; I do not know that anybody in this country would for one moment advise such an exchange of horses as was suggested a moment ago. But it is a well-known maxim of law and equity that there is no wrong without a remedy. It is certainly no sign of strength, no sign of progress, no sign of aptitude that year after year we cannot do what other countries can do. Look at little Holland, covered with the sea, as it was. She shut the sea out; she actually defied the sea by raising dykes and pumping them out. Holland is a country of marvellous prosperity; she has become a country of happy and prosperous people. Now here are we with enormous natural resources, as we are told every day, and with great wealth; yet, in confusion, we are actually throwing up our hands before one of the most ordinary difficulties of everyday life. The farmers ought to feel that those in charge are capable and are ready and willing to do their duty in this respect. The farmers must know that the Government have some plan or will mature some plan which will give the farmers better facilities for the carrying of their produce and the transaction of their business. The farmers, as we all know, not being banded together in well-connected relationship like other classes of business men are unable to grapple with these questions for themselves; therefore they must be particularly looked after by the Government. Other branches of business can by instantaneous communication or by well-conducted methods of business contrive plans for the solution of their problems. The farmer is, of course, an authority on the question of the productions of the soil; he is not an authority on business by any means. I cannot emphasize it too strongly that the wish, nay, the demand of the farmer is that the present or some Government will rise up in Canada and solve the question of ocean transportation; and it must be solved.

Mr. CARROLL: I wish to bring to the attention of the minister a matter that was before the department first in the year

1901, on different occasions between that year and 1908, and again in the form of a petition during the last year. I refer to the efforts that the people of Mira River have been making to get a subsidy for the steamship which runs up that river. When the matter was brought to the attention of the hon. minister's predecessor, I think he took the ground that the Government was not supposed to grant subsidies or subventions to boats running upon inland rivers. The late Government voted sums of money to build public wharfs up that river, and this Government carried out the intention of the late Administration by building those wharfs. I think that does away with the objection that the Dominion Government should not subsidize vessels running upon inland waters like the Mira river. A large petition has been placed, I understand, with the minister or in his department by the residents of Mira, and I simply want to support the claims of those people as best I may. The Mira river is being navigated by a steamer which carries passengers and freight for a distance of between 25 and 30 miles inland. At the entrance of the harbour there is a railway which connects Louisburg with Sydney, and the river is the only means of transportation by which the farmers along the Mira—and it is a fine and thickly-settled farming district—can send out their produce, unless they drive between sixteen and eighteen miles either to Sydney or to the mining centres. I take the opportunity of bringing this to the attention of the minister to see if it is not possible to include in his supplementaries of this year some appropriation for this purpose. The Government have undertaken to build wharfs on that river. I think the Government should help the residents of that section of the country farther by granting a small subsidy to this river boat. The local Government grants a subsidy to the boat, but it is rather small and they are looking for a daily service. Any person undertaking this service, even a subsidy, would have to be very wide awake to make a daily service pay.

Mr. FOSTER : I will look into it.

Mr. MORPHY: We are on item 162, the service between Canada and Newfoundland. I have often thought, and this is my excuse for saying a word or two at this late hour, that there are great possibilities of trade between Canada and Newfoundland that are not taken advantage of to the extent that they should be. The people down there trade very largely with this Dominion. The hon. member from Prince Edward Island (Mr. A. A. McLean) gave the figures, so I need not go into them. I speak as a casual visitor having visited the island last summer. I was very much struck with the number of Canadian goods displayed, and in conversation with men of commercial standing there I discovered that our own people appear in their minds to be backward about catering for the trade. I notice that the people down there are practically Canadianized. I think that the banks of Nova Scotia, Montreal and Commerce give them their currency. Canadian money passes current there from hand to hand and they speak absolutely our language with a delightful addition to it of the Irish brogue. They say it is the land of fish, frogs, dogs and Irishmen. I found a quiet desire for a closer trade relationship and I believe they are really anxious to have closer relations; and yet for some reason, for something that happened in the past which I need not go into, there is a reticence about entering into any closer alliance with us, national or commercial. Cabot's Head is the gateway of Newfoundland. At that point you enter through rugged cliffs on each side, into a most beautiful harbour, the crowning cliffs showing impregnable strength. I could not but be impressed that Newfoundland was not only the gateway to Canada but the gateway to British North America and to North America and I felt that if something could be done, whether along trade lines or otherwise, to round out the Confederation by bringing in that splendid colony, people of kith and kin to ourselves, it would be a great step in advance. There is along the southern coast of Newfoundland splendid territory for hundreds of miles from Port-aux-Basques to Placentia bay and then to St. John's. Every village along that coast is remote from the railway, it is essentially a place for ocean trade; and with the progress that Canada has made there to-day, with the cordiality of feeling which I heard expressed by prominent business men and others, I think the time opportune to press for some measure to increase our trade with Newfoundland. During the fifteen years that hon. gentlemen opposite were on the Treasury Benches nothing was done in that direction. I think we on this side of the House might bring

to the attention of the Government the great possibilities of increasing trade there. I found a peculiar thing down there. The people of that colony are adventurous traders. I saw boats loaded at St. John's with codfish for South America. I found that they shipped also to the European countries. I found that the supply of fish was almost inexhaustible and while their trade is growing largely away from Canada and while they leave our Maritime provinces to supply us as they can with fish as far inland as refrigerator car service and other railway equipment will be able to carry it, the trade of Newfoundland in natural products, which I understand are largely fish and pulp and some minerals outside of the Belle Isle mines, has yet to be exploited and developed. Their trade is now moving in other directions and we should make an effort to secure a larger proportion of that trade, especially when they are so willing and anxious to receive the produce of this country. When I saw the moderate sum of $70,000, in that Estimate I was surprised; my idea rather runs to $700,000. I have no accurate data but I wish to convey my impression of the possibilities that exist there. Whereas to-day our export trade to Newfoundland amounts to $4,000,000 I think with a little extra pushing we might easily increase that to ten or twelve millions dollars to the great gain of the producers of Canada.

Mr. SINCLAIR: I wish to take issue with my hon. friend's statement that the late Government did nothing to increase trade with the colony of Newfoundland. The British preference stimulated trade between Canada and Newfoundland to a very large extent, and I have no doubt that the preference is largely responsible for the increasing trade between those two countries. That is to the credit of the late Government who extended the British preference to all British colonies. The present Government, although it has been in power over two years, has nothing to its credit in the way of increased trade with Newfoundland. My hon. friend was the first to introduce politics into this discussion, and I did not want to let the opportunity pass without giving him a little light on the question as to which party is entitled to the credit for the increased trade with Newfoundland. There is a way of increasing that trade still farther. If my hon. friend will persuade the Government to give an additional preference to that colony, he will find that Newfoundland will respond, and I am sure that that would do more towards increasing trade than paying subsidies to steamship companies.

Steam service between Halifax, St. John's and Liverpool, $20,000.

Mr. SINCLAIR: What company gets that?

Mr. FOSTER: Furness, Withy and Company.

Mr. SINCLAIR: Has the minister the rate schedule of that company?

Mr. FOSTER: Yes, so far as Newfoundland is concerned. We have the same clause in our contract with that company as in the other contracts, and which I have already read.

Mr. SINCLAIR: Do they submit rates each year when the contract is renewed?

Mr. FOSTER: They raise the rates, they do.

Mr. SINCLAIR: Are the rates the same this year as last?

Mr. FOSTER: Just the same.

Steam service between Montreal, Quebec and Manchester, England, $35,000.

Mr. SINCLAIR: What company gets that?

Mr. FOSTER: The Manchester Liners, Limited.

Mr. SINCLAIR: Do they carry the mails?

Mr. FOSTER: No.

Mr. SINCLAIR: What is the object in subsidizing that line?

Mr. FOSTER: For the extension of our traffic. As my hon. friend knows, Manchester lies in the centre of the most populous district in Great Britain, and I would like to call the attention of my hon. friend to the increases that have taken place in that connection. This service carries a large amount of freight. Last year it took a total tonnage of 269,438 in weight and 72,761 by measurement, as compared, let us say, with 1908, when only 112,759 of weight was taken. The trade has more than doubled, and is constantly increasing.

Mr. SINCLAIR: It is simply competing with the tramp steamers.

Mr. FOSTER: If the tramp steamers are there, they will compete. As to the value, $8,246,791 worth of goods of Canadian origin were carried, and $3,000,000 worth of goods of United States origin; that is, they carried over $12,000,000 worth of

freight, which represents an enormous amount of stuff. The subsidy is not a large one.

Mr. SINCLAIR: In that case they ought to be able to run without a subsidy.

Mr. FOSTER: There is that question as to whether or not, and to what extent, these services ought to be self-supporting. One object I had in view in demanding a statement of revenue and expenses, was that with data covering a period of two or three years one might be able to judge as to whether this or that line ought not to be allowed to go on its own resources.

Steam service between St. John, Dublin and Belfast, $7,500.

Mr. MACDONALD: Who gets the Irish subsidy?

Mr. FOSTER: The contract is with the Ulster Steamship Company, Limited. Last year they carried goods of Canadian origin to the value of $1,200,000.

Mr. MACDONALD: How much of that was deals?

Mr. FOSTER: There were some, but they also carried wheat, barley, rye, lumber, flour, oats, apples, hay, linseed cakes, washboards, steels, and handles. They carried a large amount of general freight.

Winter steam service between St. John, Halifax and London, $15,000.

Mr. FOSTER: The Canadian Pacific railway has that contract. Last year they carried goods of Canadian origin to the value of $2,600,000, and $1,141,000 worth of goods of United States origin—a total of nearly $4,000,000 worth.

Mr. SINCLAIR: How many trips do they make?

Mr. FOSTER: Ten.

Mr. SINCLAIR: What is the object in paying that subsidy?

Mr. FOSTER: The purpose is to stimulate trade between the two countries.

Mr. SINCLAIR: It seems absurd that we should have to subsidize freight steamers for carrying goods from St. John and Halifax to London, when there are a dozen companies willing to carry the freight at ordinary rates. We are not trying to develop trade with London especially, are we? If we are not getting any reduction in rates by paying this $15,000, what are we paying it for? That is the point that worries me. If it were a particular trade that was being developed, if these vessels were carrying apples from Annapolis, for instance, it would be a different matter; but if this company is simply carrying deals or ordinary freight we are throwing away our money.

Mr. FOSTER: It is not quite fair to say 'if they are only carrying deals' because they are not simply carrying deals. Let me direct my hon. friend's attention to the situation. These services were not started last year or the year before. They had been subsidized for a series of years, going back to twenty-five or thirty years ago. The very same question that was asked to-night might have been asked, and it might have been just as difficult for me to answer it as it has been to-night, at any one of these times. There was really no data before the department until we undertook the system of trying to get at just about what were the revenue and expenses of these different lines. We could not do that in one year, but taking it over a period of two, three or four years, you have the data for making up your mind and basing your judgment as to whether this particular line, or any other, ought to be assisted. I think we must come to the time when our freight services between large cities or countries must carry their own charges and costs, and we will gradually become limited in making provision by way of subsidy to services for the carrying of the mails with as great speed as is required and to pioneer services breaking the way into new countries where we have great difficulties to encounter in carrying and establishing trade. In the course of time I hope we will be able to do some work of discrimination with respect to these services, which I have found impossible because I had no data.

Steam service between Canada and Australia or New Zealand, or both, on the Pacific ocean, $180,509.

Mr. MACDONALD: Are our imports from Australia increasing?

Mr. FOSTER: Our exports and imports both are increasing. In 1913 the value carried out of Canadian origin was $770,412, and there was a large amount of United States origin, the whole value being between $3,000,000 and $3,500,000. It would be more satisfactory if the returns of the department were looked at to see the different lines into which this trade was divided.

Mr. MACDONALD: What do we get from them particularly ?

Mr. FOSTER: Exports of Canadian products increased from $2,574,000 in 1902 to $3,954,000 last year. There were foreign products to a small amount, making the total exports about $4,000,000. The imports are much smaller, amounting to a little less than $500,000. In the trade exchange between us and Australia, the balance is very largely in our favour; Australia raising much the same character of staple products as we do ourselves.

11 p.m.

Mr. MACDONALD: Do we send any agricultural implements out there ?

Mr. FOSTER: Some agricultural implements go there, and they are very well thought of, too.

Mr. SINCLAIR: I suppose the subsidy decreases as the business increases ?

Mr. FOSTER: The subsidy, as are all our subsidies, is a stated sum during the term of the contract.

Mr. SINCLAIR: The hon. minister says that there is a very large increase in the business. It struck me that there might be a corresponding decrease in the subsidy, because the increased business must give a much larger revenue to the steamer.

Mr. FOSTER: Yes, on a strictly logical basis that would be so, but our subsidies vary a little from that basis.

Steamship service between Victoria and San Francisco, $3,000.

Mr. KYTE: Has any progress been made in regard to the application on behalf of some interests in the town of Yarmouth and vicinity to subsidize a steamship service between Yarmouth and Boston ?

Mr. FOSTER: Yes, so much progress has been made that I have been obliged to decline paying any subsidy to the line of steamers that run between Yarmouth and Boston. The Yarmouth line of steamers were on the point of increasing their service and then an attempt was made to get a subsidy from the Dominion Government. On looking the whole matter over, and upon considering it, I was obliged to say that I believed they ought to carry their own costs and charges and improve the service. They have improved the service since without a subsidy.

Mr. KYTE: Has there been any proposal made to subsidize a new line of steamers between Shelburne and Boston?

Mr. FOSTER: I do not know whether you could say that a proposal has been made or not. There have been communications and a deputation visited Ottawa and talked over the matter with me. But aside from the general idea that they would like to have a service between Boston and Shelburne, there was no founded proposal upon which a judgment could be taken as to the subsidizing of a service. Generally speaking, we have not subsidized direct services between our large cities and the large American cities. Although the matter has not been absolutely decided upon, I still think there will be difficulties that cannot at present be overcome in endeavouring to inaugurate a new and up to date transport passenger and freight service between Boston and the ports on the southern coast of Nova Scotia.

Mr. KYTE: A condition of affairs has arisen in respect to the trade between Nova Scotia and the New England states particularly in regard to the transport of fish that has not hitherto prevailed. The United States markets are free to the fishermen of Nova Scotia. The fishermen of the western part of Nova Scotia would appear to be pretty well served by the very excellent steam service which has been established for so many years between Yarmouth and Boston. However, the fishermen in the eastern portion of Nova Scotia are not so well provided with means of transportation in that respect. There has been a very excellent line of steamers established between Charlottetown, Port Hawkesbury, Halifax and Boston. Unfortunately, however, there are other very important centres of the fishing industries lying along the coast of Nova Scotia which are not served by any direct communication with Boston and I would like the minister to have an open mind in regard to the propriety of subsidizing some service between Nova Scotia and Boston and giving it the same consideration that he gives to other services that are bonused for the purpose of promoting traffic and the interchange of commodities between different sections of the British colonies.

There are very important fishing centres at Arichat and Canso, where are caught large quantities of fish, which will naturally find a market in the United States. At present, there is no means of ready transport, by reason of the fact that the steamers do not call at any intervening port between Port Hawkesbury and Halifax. It would be worth while for the minister to consider

whether he could not give a subsidy to the Plant Steamship Company, in consideration of their steamships calling at Arichat and Canso, for the purpose of taking fish shipments, which would find a much more profitable and ready market in the United States than they can find within our own territory.

Mr. SINCLAIR: I would like to urge the same point on the minister, as it is a matter that my constituents are deeply interested in. I took occasion some time ago to bring the matter to the notice of the Minister of Marine, and we had a discussion on it, and a number of reasons were put forward by gentlemen on this side of the House in favour of granting some assistance to a line of fish boats to ply between the south shore of Nova Scotia and the Boston market. It is obvious that we should be able to take advantage of the free open market of the United States, but we cannot do so with our present transportation facilities. The town of Yarmouth has transportation factilities to a certain extent; I understand there is a boat from Yarmouth to Boston making three trips a week.

Mr. FOSTER: Four.

Mr. SINCLAIR: The Yarmouth people are able to forward their fresh fish to the Boston market, and I am informed, on the best authority, that the result has been that the price at Yarmouth has about doubled since the United States duty on fish has been removed. Fish is a very perishable commodity, and unless it is put into the market quickly it is almost impossible to carry on a trade in it at all. At Canso, we have had a dead slow price of $1.50 per hundred pounds for fresh haddock and fresh cod, for a number of years past, while at Yarmouth they have been getting on an average during the present winter $3.86 per hundred pounds for the same kind of fish. The Montreal market is a good market as far as it goes, but it is expensive for us to send to Montreal, and the freight by water, from the ports of southern Nova Scotia to Boston, would be very much less than we could possibly expect them to be by rail to Montreal. Then, Montreal is a small market, and if you put more than two or three carloads of fish into it in one day, you break the market. On the other hand, you can bring as much fish as you like to the Boston market, because it is a great distributing point for Chicago, New York, and the big cities of the United States. The price at Boston goes up and down, but sometimes it is quite high. Sometimes it is lower than in Montreal, but the average Boston price is much better than the average Montreal price. We can never expect to get a large fish trade developed on the south coast of Nova Scotia, with our present home markets. The United States market is now open to us, and the one thing needed to make a great and profitable business for the people of Nova Scotia, is transportation facilities. The Minister of Finance told us that our trade with the United States is large, because we purchase from the United States in great quantities, but here is an opportunity to sell them a commodity that we have on the southern shore of Nova Scotia, and for which a ready market is waiting in the United States. I have no doubt that if we had those facilities our fish trade with the United States could be worked up to be an enormous industry. The Minister of Trade and Commerce will find that during the past year enormous strides have been made in the fresh fish business in the town of Yarmouth, because of the Wilson tariff. We can equally develop the trade at Canso, Isaac's Harbour, Drumhead, and a number of other places along the coast of Nova Scotia. I would suggest that the Minister of Trade and Commerce should get collecting boats to take the fish to some particular point, from which there would be a subsidized line to take it to the Boston market. I do not know what the difficulties are, but I cannot conceive that there should be any difficulties which would prevent that being done. I hope the minister will have an open mind on the question, and that he will carefully look into it, because I think it is one of the opportunities which our people in Nova Scotia have been looking to for a long time.

Mr. FOSTER: I quite understand—though not so well as my hon. friend (Mr. Sinclair) who lives in the atmosphere—the possibilities of the fish trade of the Maritime provinces, particularly of that most highly endowed province of Nova Scotia, in that respect.

Mr. MACDONALD: In every respect.

Mr. FOSTER: At the same time, there are difficulties in the way of having a fast line of steamers running to Boston, from all the eligible points in Nova Scotia, New Brunswick and Prince Edward Island, for developing the trade in fish. A very large

amount of money could easily be spent in arranging fast services at frequent intervals, but the hon. gentleman (Mr. Sinclair) will see that there would be difficulties in multiplying steamship services from all these eligible points. The fish trade of Nova Scotia is flourishing; it gives very large employment; it has a large number of men, who are not men of capital, to gather the fish, but it has also a large number of men who are men of capital, and who are able to put their means into the services necessary to transport the fish to the markets awaiting it. From Halifax and from Yarmouth you have direct lines of steamers running to this market. From Yarmouth you have another eligible line of steamers, and the line that runs out of Yarmouth does not simply serve the harbour, but the coast next to Yarmouth. Yarmouth is a centre for collecting from the south of Nova Scotia and even from points as far distant as Mulgrave, by the railway communication which they have and which caters very largely to the steamship companies that run out of Yarmouth. It would be a good thing if we could get in all these boats, but there are some difficulties in the way. It is a common idea amongst some that we are made of money and $100,000,000, or any number of million dollars should not stand in the way. We must be careful in one way to keep some check on our administrative expenditure; we must on the other hand have an open mind and look into these questions as thoroughly as possible, which I am well disposed to do with reference to Nova Scotia, because I know the value and the increasing value of its industries. Possibly a little time and patience will do a great deal for us in that respect.

Mail subsidies and steamship subventions—steam service from the opening to the closing of navigation in 1914, between Gaspé basin and Dalhousie or Campbellton, $20,000.

Mr. MARCIL: Will the minister give us some information about that?

Mr. FOSTER: We had that service under contract with the steamer Canada for a period of years at a subsidy of $20,000 a year. That subsidy was made up of an advance of some $5,000, just a year or a year and a half ago. That grant was given because that portion of the coast showed a growing trade. There is in the first place, as my hon. friend knows, the competition of a line of railway which runs along the coast which does not serve all the points or the ports. In consideration, however, of local considerations, $5,000 was added to the subsidy a year or so ago, and a contract was entered into with the Canada, a very good vessel, so far as I remember; but the proprietor of the Canada died and his estate was not able to carry on the service. Therefore we have arranged on very short notice, because all this has taken place within a short time, to carry on just about half the service at half the subsidy, using the Canada as one of the vessels and the Gaspesia, a vessel which will be known to my hon. friend, to carry on the other part of the service. We subsidized just to the same extent in point of distance and to the same ports, or very nearly so as were served under the old steamship contract with the Canada, but the service is distributed between the two vessels. I believe it is the object of the contractors to go as far as Montreal. We subsidized them no farther than Gaspé; but if they can go to Montreal and back and do the service on the schedule, there is no objection to their doing so. That is the best arrangement which we can make at present. What will happen in the future, I am not in a position to say.

Mr. MARCIL: Will there be two trips a week between Campbellton and Gaspé as at present?

Mr. FOSTER: There will be only twenty-six round trips—half the subsidy and half the service.

Mr. MARCIL: Have the people down there expressed any desire for a service of that kind?

Mr. FOSTER: I have not had time to communicate with the people, and it is not quite open to do in a few days' time what might be best for the service. If you have plenty of time to call for tenders and get competition in that way, you might do better. Here was a service which was about to open and that was the only proposition I could get placed before me and I took it up rather than have the service lapse.

Mr. MARCIL: Why not have the Canada continue the contract of last year?

Mr. FOSTER: That might have been possible if I had had a proposition to continue it, but I had not.

Mr. MARCIL: You had a contract.

Mr. FOSTER: A contract is not much use against a man who has died and whose estate is not prepared to carry it on. My hon. friend would not like me to press a service in a case of that kind.

Mr. MARCIL: I understand the boat has been sold to another company.

Mr. FOSTER: Yes.

Mr. MARCIL: What is the name of the new manager of the company?

Mr. FOSTER: The contract will be with the Gaspé and Baie des Chaleurs Steamship Company, Limited, manager Mr. Blouin.

Mr. MARCIL: Is he a resident of Quebec city?

Mr. FOSTER: I do not know.

Mr. MARCIL: I put a question to the minister some time ago about the state of the steamer Canada, whether she had undergone any inspection or not, and the Minister of Marine and Fisheries gave me the following information:

The SS. Canada was inspected by the Government inspectors and granted a certificate on the 5th May, 1913; this certificate expired on the 1st December, 1913. No further report of official inspection has yet been made to the department, and no certificate for 1914 has been issued.

This answer was given on the 6th of April, three weeks ago.

Mr. FOSTER: I cannot say whether a certificate has been issued since then or not. I have not any information that I can give my hon. friend. With reference to the other vessel to be put on, I made inquiries and an inspection of the vessel made to satisfy myself that she was able to carry on the other half of the service. I am informed by the Postmaster General that the Canada is in dock being repaired, and that, when repairs have been made, she will get her certificate. The vessel must get her certificate in order to run on the route.

Mr. MARCIL: I have, in a return brought down to the House on the 2nd of March of the present year, a letter from the late president of the company, who gave as his reason for going into dry-dock last year on the 28th of November, at an earlier date than usual, the fact that he had asked Lloyds, of London, England, to certify the vessel, and they had instructed him to place it in dry-dock and he had complied with their instructions. I would like the minister to make sure that he is putting a safe boat on that coast.

Mr. FOSTER: I certainly will do that.

Mr. MARCIL: This boat was bought in 1892. It was formerly called the Pro Patria. It was reported as of no further use to the company which owned it, and lay in the harbour of Halifax for sale for quite a time until it was bought and put on the Gaspé route. The service was not as bad as the one given by the Restigouche, but almost as bad; since the Admiral was taken off the route the service has been going from bad to worse. The Canada was patched up; a couple of cabins were built on the deck, but the machinery is out of date and she did not give satisfaction at all last year. The service used to be sixty trips during the season; that was cut down to fifty-three and it is now to be cut down to twenty-six, a trip every week. In the months of May and June, large quantities of salmon are taken from Gaspé to Charlo, transferred to Dalhousie and there put into the icehouses to be transported by rail. The people found the service of the Canada, two trips a week, entirely inadequate, and they organized local services. A resident of Bonaventure put on a special boat; the hon. member for Restigouche (Mr. Reid) sent a sailing vessel over from Charlo and Loggies, I think, had an independent service of their own. All these agencies were employed to carry the salmon taken up in May and June. The Canada gave a poor service, but if the service is to be made poorer still the people will have to rely on the railway to carry their fish. That is one more argument in favour of the suggestion I made the other night: that the time is coming when the Government should take over that railway and make it a branch of the Intercolonial. We spent a million and a half in cash upon that road and $250,000 were paid in special subsidies for the building of twenty-six iron bridges. The road between Carlisle and Gaspé, which was built at a cost of $3,000,000, is giving practically no satisfaction at all. During the winter only one train a day is run and for weeks at a time the country is without any service at all. The old line between Carlisle and Matapedia has to be rebuilt, but the chief requirement is a bridge between Cross and Campbellton to bring the Gaspé peninsula in touch with the International railway, with the Intercolonial at Campbellton and with the Transcontinental railway at Edmunston. If our friends in Nova Scotia get better steamship service for the carrying of their fish to the American market, we would have an ideal

service if we could but link up Gaspé with Campbellton. We could then take advantage of the International railway as well as of the Intercolonial system; we would be connected with the Boston and Maine and our fish could reach Boston within twenty-four hours. In the Baie des Chaleurs there are great possibilities. If the railway service were improved I think the steamship service could be dispensed with altogether from the freight point of view, though I would be sorry to see it go, becausé Gaspé coast is one of the most picturesque parts of the province of Quebec; during the summer season that district is one of the most attractive portions of eastern Canada. I know that difficulties present themselves to the Government but I hope that the inferior steamship service and ineffective railway accommodation to which the people of the Gaspé peninsula are subjected will be taken into consideration by the Government and some improvement made.

Mr. PELLETIER: My hon. friend knows that the Bill providing for the purchase of that railway was thrown out last year by the Senate.

Mr. MARCIL: The Postmaster General knows well that if he brings in a measure now to take over that road I will support it.

Mr. FOSTER: I have paid a great deal of attention to the route mentioned by my hon. friend, but the question is rather a difficult one. When I came to look for results I found that with a payment of a subsidy of $20,000, the amount of freight carried was only 1,600 tons. The question arises as to how much money you can expend on a route which in some respects seems to be on the diminishing side. I gave only the $5,000 and continued the granting of that amount because of my love for the scenic properties of that beautiful stretch of water, which I always liked to see visited by tourists and travellers. However, situated as we were, I could not see anything better to do than that which I have done.

Mr. MARCIL: The minister knows, of course, that although traffic on the Canada has decreased, that does not mean that the Gaspé peninsula is not progressing. If the steamship traffic has gone down, it is because the railway now reaches Gaspé and because there are three independent lines of steamers running from Montreal to Quebec. In the old days the Admiral was sufficient to do the whole business; now the Canada, the Gaspesian, the Lady of Gaspé, the Cascapedia and Gaspé railway are all employed in the carrying of trade.

Steam service between Halifax and west coast Cape Breton, calling at way ports, $2,000.

Mr. WILLIAM CHISHOLM: How far north on the west coast of Cape Breton does this boat go?

Mr. FOSTER: She goes to Pleasant bay.

Steam service between Halifax and Sherbrooke, $2,000.

Mr. SINCLAIR: Is there a contract for that service, and if so, with whom?

Mr. FOSTER: Yes, with W. J. Murdoch. The service has been running for some time. I think without subsidy. Last year it came under subsidy.

Mr. SINCLAIR: It received a subsidy from the local government of Nova Scotia.

Steam service between Kenora and Fort Frances, $8,000.

Mr. OLIVER: This is an inland service. Would the minister give some explanation?

Mr. FOSTER: That has a peculiar history. I wonder if I would be betraying any confidence if I explained it. A certain minister at a certain time had for a long time been very much importuned to grant a service over this route but he fought against the principle of subsidizing services in interior lakes in Ontario as a doughty soldier in the interests of economy and what he thought was proper steamship service. But at last he had to give so many steamship services to the ports in Nova Scotia and New Brunswick that, in a rather irate fit or mood, upon a certain occasion he declared he would give one subsidy on this internal lake and river in Ontario as a bit of an offset for the number that he had to grant in Nova Scotia. I felt that I would not be doing honour to his memory if I did not continue that subsidy.

Mr. OLIVER: I do not want to be understood as objecting to the service at all.

Steam service from the opening to the closing of navigation in 1914 between the mainland and the Magdalen islands, $15,000.

Mr. J. J. HUGHES: This is a service that takes in part of Prince Edward Island. If I understood the minister aright he said there was no increase in the rate since he took charge of the department. My information is to the effect that there is an increase in the rate.

Mr. FOSTER: My impression is exactly the opposite. One of the troubles I have been up against is in regard to this service which is peculiar in many respects. It is not a service of very great volume of trade and the trade that is carried on is of a peculiar nature in which a sympathetic captain may very much help and an unsympathetic one very much hinder.

Mr. J. J. HUGHES: I think the service is a good one.

Mr. FOSTER: Then we will start from a common basis that this service is a good one. I have gone carefully over the accounts of the service for the last two years with Mr. McClure, and I satisfied myself that something more would have to be given in order to retain that vessel in this service. We have had several vessels on that service and had chronic complaints on the part of the people of the Magdalen islands and of other portions as well, against the service. This vessel is, if anything, superior for that service; but she has given a good service and the people are very anxious that the service should be retained. I have come to the decision to add a little more to the service in order to keep it for the present year with the same vessel and the same captain. One of the difficulties I met with was that the rates to the Magdalen islands were so reasonable, so far reduced in fact, that there had to be a larger subsidy or an increase in the rates.

Mr. MACDONALD: I was familiar with the granting of this subsidy five years ago and with the rates that were then especially stated in the contract, and I am in a position to know that there has been no change in the rates since, because the gentleman who is running the service is performing the contract as it was made five years ago without any change. I have spoken to the minister privately about the matter, as the service starts from my own town. I understand the minister has granted an additional sum but only for the year.

Mr. FOSTER: Yes.

Mr. MACDONALD: What is the minister's policy in regard to the future?

Mr. FOSTER: These subsidies all around our coasts have been yearly subsidies. There are some difficulties to the department in the administration in having them fall in each year and so as soon as we have worked out some better system of checking up the receipts and expenditures we hope to make a change and to enter into contracts for a period of years, perhaps three years or five years.

Steam service between Mulgrave and Guysborough, calling at intermediate ports, $5,500.

Mr. SINCLAIR: I have had requests that the port of Sand Point, a place with a wharf on the strait of Canso should receive a call from this steamer. It would have been easy to do but I find there is a difficulty in this way. A new wharf was erected there for the purpose of providing for a call of that boat. Money was voted in the session of 1911 and a contract was made for building the wharf. After the new Government came into power, the Minister of Public Works did not cancel the contract but he decided to change the site. The first site gave sufficient depth for the steamer to call at the outer end of the wharf and do the business, but the minister changed this site to a point half a mile away, in order to give $150 to a friend of the party and to please some of his political friends who resided there.

Mr. FOSTER: Of course that is an assertion.

Mr. SINCLAIR: That is the only reason. the consequence is that the wharf is now no good to anybody, because there is not sufficient depth of water in front of it for any boat to call at low tide. I would like the minister to have a consultation with the Minister of Public Works, and if he can induce him to add 100 feet to that wharf so as to give a sufficient depth of water it will be a great accommodation to the people of that locality.

Mr. FOSTER: I will consider the matter and have it fixed one way or the other: either get a little more water, or shave something off the bottom of the vessel.

Mr. CARROLL: Will the boat call at Big Pond?

Mr. FOSTER: Did it last year?

Mr. CARROLL: I am told by a resident there that it did in the first part of the season, but not in the latter.

Mr. FOSTER: I cannot say whether that is included in the contract or not, but I will make a note of it.

Mr. CARROLL: There is a Government wharf there.

Mr. FOSTER: Has it water?

Mr. CARROLL: I presume so.

Steam service—Pictou, Mulgrave, Cheticamp, $7,500.

Mr. SINCLAIR: Who has the contract this year?

Mr. FOSTER: I forget the name of the company, but it is the one in which Roderick McDougall is interested. I suppose my hon. friend wants some information on that matter. I have had more trouble over that than over any other service.

Mr. A. W. CHISHOLM: If the minister had consulted me, I could have helped him out very easily.

Mr. FOSTER: One never knows what silent and unobtrusive friends are close at hand to help out in times of difficulty, and often loses the aid he might have had. The facts of the case—I have them pretty fresh in mind—are these: The vessel was the City of Ghent—Captain Beatty. I remember the captain, and I have some recollection of the City of Ghent. So far as I can learn, the Ghent was a popular vessel, though not the best in the service, but the captain was not quite so popular as the vessel, and there was a great deal of trouble and many heartburnings. I took the ground at last that if I could get a suitable vessel and a suitable captain to cater to what seemed to be the wish of the customers of the route, that it was my duty to do so. After a long while I found a sea-faring man who undertook to get a suitable vessel and to organize the service, and I have given him the contract for the present year. The vessel is the steamship Kinburn, refitted so as to give what seems to be sufficient accommodation for the route. We will try it out and see what happens this year.

Mr. MACDONALD: I hope the minister will see that she starts from Pictou.

Mr. FOSTER: Oh, yes, and goes back to Pictou every time.

Mr. A. W. CHISHOLM: If I have one particular objection to the whole contract, it is that one fact that she starts from Pictou.

Mr. FOSTER: I have no hesitation in saying that if I were making the service anew, I would start the vessel from Mulgrave and run that route. I would divide the service into two, and if it were necessary put on a service from Pictou to Mulgrave, serving the points in Antigonish county between those two towns and also run a boat from New Glasgow. But it is not possible for me to do that this year.

Mr. CHISHOLM: Here is another case where the minister might have been helped out if he had consulted the representative of the county the year before last. The minister will not forget that he changed the service two years ago. Under the late Government there were two services. There was a boat from Pictou to Cape Breton ports, and a boat from Mulgrave to Cheticamp. The minister—I suppose from the standpoint of economy—undertook to amalgamate both services and gave the contract to Captain Beatty. If Captain Beatty did not turn out according to the expectations of the minister, he has himself to blame.

Mr. FOSTER: He was more energetic than I thought he was.

Mr. CHISHOLM: If the service does not please the people of Inverness county they may blame the minister, because, as I have pointed out, it is impossible for one boat to do that service; and the same thing will happen again this year. The slightest consideration on the part of the minister would show him that it is an absolute absurdity for the boat to make one trip from Pictou to Cheticamp, and two from Mulgrave to Cheticamp in one week. On all that coast there is a large quantity of fresh fish, particularly salmon, and if we cannot have a regular two-trips-a-week service from Cheticamp to Mulgrave, the service is practically useless. We could not have it last year and certainly we cannot have it this year; the man simply cannot do it; the distance is too far. Another thing I want to point out to the minister is this: in my opinion the boat he has on the service now will not be any improvement on the service last year, and I question whether it will be as good.

Mr. MACDONALD: She is not as good a boat.

Mr. CHISHOLM: That is my information, and I think the department ought to have had that information—I had it long ago. The boat that was on three years ago gave satisfactory service and I venture to say there were no complaints against it; but the minister took that contract away and gave it to Beatty. He found no satisfaction in him and drove off that boat, and I venture to say that this third boat will be the worst of the three. The minister ex-

pects this boat to perform a service that is physically impossible.

Mr. FOSTER: The member for Peterborough says there are no impossibilities.

Mr. CHISHOLM: Let me ask the minister if he will be good enough to watch the service of this boat this year? Rather than have the Inverness service sacrificed, as it will be, I would suggest that Pictou be cut out altogether. I am very anxious to be connected with Pictou and we would have been connected with Pictou in a satisfactory way if the minister had not tampered with the conditions he found when he took charge. But he did tamper and the result is evident; we have now no service at all. If we are going to have a repetition of what occurred last year let him cut out Pictou altogether this year.

Mr. FOSTER: My hon. friend the member for Pictou and the member for Inverness can have a private conversation about cutting out Pictou.

Mr. CHISHOLM: There is another thing with regard to the passenger service at that point. I understand the Kinburn has been equipped with passenger accommodation. If it turns out that in two months' time this boat is not equipped what will be the result?

Mr. FOSTER: If my hon. friend tells me that the boat is not equipped, I will take some means of finding out whether she is equipped or not. She has to be equipped reasonably well for the service. My hon. friend will find that summer weather will make him less pessimistic than he is now.

Mr. CHISHOLM: I am not pessimistic; it is the people who are suffering, and not I.

Mr. FOSTER: I started out with the heroic idea of economizing and squeezing into one some of the many double services I found on that coast. I have had my experience with that matter—I am quite willing to admit it.

Mr. KYTE: Did the minister get a report from any official as to the suitability of this boat for the service that it professes to perform ?

Mr. FOSTER: The boat was on the service from Halifax out to the southwest coast last year, but it had not sufficient passenger accommodation. Outside of that it had sufficient accommodation. It is in part a night service and there must be sleeping accommodation. I summoned the superviser, who was in Ottawa at the time, talked the whole matter over with him and we came to a conclusion as to what would be reasonably good passenger accommodation. They must fulfil that condition or they will not get the subsidy.

Mr. SINCLAIR: Does the inspector, Mr. Tupper, report on the question of the suitability of vessels ?

Mr. FOSTER: Yes, of every vessel.

Steam service between Pelee Island and the mainland, $5,000.

Mr. FOSTER: The subsidy given so far has been $5,000. They have had for a series of years rather an old
12 p.m. and not a very serviceable vessel, although it has done the work that it was necessary to do. This year the people of Pelee Island have subscribed their money, built a new vessel into which they have put about $70,000, they are going to give a better service and I am going to raise the subsidy to $8,000 for the improved service.

Steam service between Pictou and Montague, calling at Murray Harbour and Georgetown, $6,000.

Mr. J. J. HUGHES: There is a feature in connection with the services between one or two places to which I wish to call the attention of the minister. I think that in the contracts there is a clause to the effect that steamers subsidized by the Government shall use the Government wharfs where such wharfs exist. I think that is a proper clause.

Mr. FOSTER: If they have water.

Mr. HUGHES: I do not know of any wharfs in Prince Edward Island that have not water. This steamer does not use the Government wharfs, and the Government wharfs, as a rule, are better than the private wharfs. They have better freight sheds and are capable of giving better accommodation to the public. The hon. minister can understand that perhaps some of the shareholders, or some of their friends, may have a private wharf that the steamer people would like to use. I get letters in reference to this matter, and sometimes people who are aggrieved do not wish to make complaints personally.

Mr. FOSTER: At what ports?

Mr. HUGHES: At Montague there is an excellent Government wharf; it has a new freight shed and it should be used. I understand there is a clause in the contract to that effect.

Mr. FOSTER: I do not know whether there is any clause in the contract or not, but I think the rule is that, if there is a Government wharf which is suitable for the people, the vessel has to call there if she is required to do so.

Mr. HUGHES: I would ask the minister to give notice to the steamship owners in time so that they cannot raise the plea that they were not notified and that they thought they could do as usual. Last year the steamer that called at Souris on the way from Pictou to the Magdalen islands did not use the Government wharf and a greater hardship was inflicted upon the people who shipped by the steamers in consequence of that than would have been the result even at Montague. A good deal of freight carried by that boat from Souris comes over the railway from Charlottetown and when the Government wharf was not used that freight had to be carted over from the Government wharf where the cars come down, around quite a distance to the private wharf, or it had to be carted from the station which was some distance back in the village and the goods had to pay unnecessary cartage and the double wharfage. Possibly this extra charge may have given rise to the idea that the freight rates were increased. After considerable trouble last year I got that matter adjusted.

Mr. FOSTER: There is no longer a grievance?

Mr. HUGHES: I do not know whether it may arise this year or not.

Mr. FOSTER: Do not greet possibilities; you know that the thing is all right now.

Mr. HUGHES: I can quite see that the minister does not take the matter seriously.

Mr. FOSTER: I am here to listen to you.

Mr. HUGHES: I am glad to hear that.

Mr. FOSTER: My hon. friend should not deprecate himself enough to think that in adressing his remarks to me he would not address remarks which would receive serious attention. Every member of this House, on any side of it, that wants to say anything in reference to any service in which he is interested has a right to be seriously treated, and I always so treat him.

Mr. J. J. HUGHES: I am glad to hear that. If the minister's method of answering me did not convey that impression it is my misfortune. I suggest to the minister that he should give notice to the steamship owners that that clause in the contract will be carried out.

Mr. FOSTER: If there is a clause in the agreement and they have signed the contract and I have signed it, it will be carried out; there is no necessity of giving notice.

Mr. HUGHES: Lest there be any misunderstanding, I tell the minister that in the case of Montague, the Government wharf was not used last year.

Mr. FOSTER: I shall be glad to inquire into that.

Mr. KYTE: I see in one of those votes that you are subsidizing a schooner; is that a sailing vessel?

Mr. FOSTER: No, it is a motor boat.

Mr. KYTE: Is it a new departure for the Department to subsidize motor boats for work of this kind?

Mr. FOSTER: It is pretty hard to say what would be a new departure in the application of these subsidies. The Ghent, which ran from Pictou to Northern Cape Breton, found it impossible to get into a number of the smaller ports along the Antigonish coast, and this small vessel ran from Glasgow, and performed a very useful service to the people of that locality. I have the letters of the merchants and the priests along that coast congratulating me for putting on the service, and telling me how important it was that the contract should be continued.

Mr. SINCLAIR: Who is performing that service?

Mr. FOSTER: I think the man's name is Macdonald; it is a small subsidy of $500 a year.

Mr. KYTE: This opens up a new field for the exploitation of persons who desire to get their names on the pay-roll for Government subsidies. I realize that there are many situations similar to those described by the minister, where ordinary steamers would be unable to call at certain places on account of the shallowness of the water, and it would be very desirable to subsidize gasoline boats for that purpose. I am glad to see the minister has undertaken to supply this much-needed service, and I may say to him that it is quite possible that in the near future very many similar applications will be made.

Mr. FOSTER: I do not propose to extend the principle.

Mr. J. J. HUGHES: I may tell the minister that I know the rates have been increased on the service about which we were speaking, but I cannot be sure of the year in which the increase took place. Is the minister sure that no increase has taken place?

Mr. FOSTER: I can only say that my recollection does not warrant me in saying that as to that particular service a request for an increase in any of the rates has been made. The instructions are absolute, and the clause in the contract is absolute that they must not charge any higher rates without the permission of the minister. I do not recollect receiving any complaint on that score.

Mr. J. J. HUGHES: I know that some years ago they charged $5 a head for cattle, and I think the charge is now $7.50.

Mr. FOSTER: I do not think I should take the ground that the rates should remain the same over a period of years, during which there have been many essential changes in cost. I take it that what the contract means is that the rates shall not be increased beyond what is reasonable. There might occasions arise when the Department would think it reasonable to allow an increase.

Mr. J. J. HUGHES: I understood the minister to say there was no increase at all.

Mr. FOSTER: No increase, unless authorized.

Mr. HUGHES: I am not objecting to a reasonable increase, and perhaps there might be good reason for it in some cases.

Mr. FOSTER: I do not recollect any application for an increase.

Mr. HUGHES: Some years ago these boats called at Souris on their way to Newfoundland, but that service was cut out, and they now call only at Summerside and Charlottetown. The subsidy was only $8,000 when they called at Souris and they are now getting $16,500. I think they should make a call at each county, in consideration of the increased subsidy.

Mr. FOSTER: The vote is $16,500, but it is regulated according to the number of calls they make, and for a series of years they have made calls which entitled them to $12,500 per annum.

[Mr. Kyte.]

Mr. HUGHES: If they called at Souris would they be entitled to $16,500?

Mr. FOSTER: My impression is that they would be entitled to more subsidy if they called at Souris, but I am not positive. I think there was correspondence on the point that they had not reserved space, and that therefore, the freight that offered was not carried, and I took that matter up with them.

Mr. J. J. HUGHES: That would be at Charlottetown. Of course, it would be a great convenience to the people living in the neighbourhood if we could get at least one of these boats to call at Souris.

Mr. FOSTER: I have the impression that they declined to call at Souris unless they were paid more subsidy.

Mr. HUGHES: Well, we are voting a larger amount than they have been receiving. Is the contract for one year only?

Mr. FOSTER: Yes.

Mr. HUGHES: Is there a possibility or a probability of getting the steamer to call at Souris during the coming season?

Mr. FOSTER: I do not know, I will take the matter up.

Mr. HUGHES: If not, we will try to have it next year.

Mr. OLIVER: Would my hon. friend have prepared a list of the rates of the different services that might be laid on the table of the House at a later date?

Mr. FOSTER: It could be prepared. There would be seventy-five or eighty of them.

Mr. OLIVER: Merely the rates so that there would be no divulging of private information. It would be convenient for comparison. While the accommodation is important, the rate is also important.

Mr. FOSTER: I will see whether or not there can be prepared for the annual report a table which will give the rates.

Mr. OLIVER: That report would not be received until next session of Parliament.

Mr. FOSTER: We will try to get something for my hon. friend at an early date.

Steam service during the year 1914, between Quebec and Blanc Sablon, calling at ports and places along the northern shore of the river St. Lawrence between such terminals, $20,000.

Mr. GIRARD: Before this item passes, without complaining of the past, I want

to congratulate the Government, and principally the Postmaster General, who is the minister of the Quebec district, on the success they have had in getting to do this service, instead of poor people, a strong company which will give two boats, one of them being prepared to carry one hundred first-class passengers at fair rates, under the supervision of the Government, and ready to take all means possible to advertise the resources of the north shore which has been neglected until now. The people living along the north shore will appreciate this service; and, in their name and my own, I want to thank the Government, and principally the Minister of Trade and Commerce and the Postmaster General, for their work in bringing about this service, which will materially promote the prosperity of that part of the country.

Mr. KYTE: It would be satisfactory to hon. members who are not present if the last item should stand to give them an opportunity to discuss matters in which they might be interested.

Mr. FOSTER: Any questions can be asked on the former item that was allowed to stand.

Progress reported.

On motion of Mr. Foster the House adjourned at 12.20 a.m. Saturday.

Monday, April 27, 1914.

The House met at Three o'clock, the Speaker in the Chair.

RAILWAY ACT AMENDMENT BILL.

Right Hon. R. L. BORDEN (Prime Minister) moved:

That a message be sent to the Senate to inform Their Honours that this House agrees to their request to appoint a special committee to meet with a similar special committee of the Senate to consider Senate Bill No. B 2, intituled 'an Act to consolidate and amend the Railway Act,' to take evidence, if necessary, and to hear parties interested, and that each such special committee report to their respective Houses, and also to inform Their Honours that Messrs. Ames, Armstrong (Lambton), Bennett (Calgary), Blain, Beland, Carvell, Crothers, Emmerson, Fowler, Graham, Green, Lancaster, Lemieux, Macdonell, Maclean (York), McCurdy, McKay, Meighen, Murphy, Nesbitt, Oliver, Perley, Rainville, Reid (Grenville), Sinclair, and Turriff will act as members of the said special committee.

Mr. GRAHAM: Is it the serious intention of the Government to go on with this Bill this session? It is a very lengthy and important Bill; there are over 100 amendments in it as well as some new sections; in fact, the railway law of Canada is to be entirely overhauled. From my knowledge of railway legislation, I think it would take this House a month to handle this Bill, if we gave it the attention it ought to have.

Mr. BORDEN: There is a good deal of force in what the hon. gentleman says as to the importance of the Bill and the necessity for careful and perhaps lengthy consideration. It was hoped that the Bill might have been introduced at an earlier date in the session than that which eventually proved practicable. We would like to have the Bill passed this session, but we do not propose to make any attempt to force it through without due consideration and full deliberation. In any event, there is no harm in having the committee appointed and doing what can be done this session in that regard.

Mr. GRAHAM: In what position will the committee of the House of Commons be to examine this Bill, unless the Minister of Railways introduces the Bill?

Mr. BORDEN: I inquired as to precedents with regard to the matter, and the information was conveyed to me, as emanating from the Speaker and the officers of the House, that it was not necessary to do that, in view of the message from the Senate. There is no objection to introducing the Bill here if it should be desired. I am merely acting in accordance with what I understand to be the proper procedure as conveyed to me by the officers of the House.

Motion agreed to.

APPOINTMENT OF MESSENGER.

Right Hon. R. L. BORDEN (Prime Minister) moved:

That the recommendation of His Honour the Speaker of the House of Commons in the matter of the proposed appointment of Mr. Herbert D. Throop as permanent messenger in the Library of Parliament, laid upon the table of the House with other papers in connection therewith on the 20th day of April last, be concurred in, and the said messenger's salary begin at six hundred dollars per annum from March 25, 1914, as recommended by the Librarians of Parliament; and that a message be sent to the Senate acquainting Their Honours therewith.

Motion agreed to.

REPORT.

Report of the Department of Trade and Commerce for the year ended March 31,

1913; part IV—miscellaneous information.—Hon. George E. Foster.

PRIVATE BILLS.

NATIONAL COUNCIL OF WOMEN.

The House again in Committee on Bill No. 140, to incorporate the National Council of Women of Canada.—Sir E. Osler. Mr. Blondin in the chair.

On section 1—incorporation; name:

Mr. OLIVER: Would some person in charge of this Bill explain what its purpose is?

Mr. BORDEN: I am not very familiar with the Bill. I was just looking over it. Sir Edmund Osler, in whose name the Bill stands, is absent through indisposition. There has been an institution in Canada, as my hon. friend knows, called the National Council of Women, which, as I understand, is designed to bring into co-operation various societies and associations of women throughout Canada for charitable, benevolent and other purposes of a like character. I understand that the object of the Bill is merely to give a more efficient organization by the acquisition of corporate powers. I have looked over the Bill and it does not seem to contain anything of an objectionable character. Perhaps we can take it up clause by clause and have it read.

On section 5—constitution and standing orders:

Mr. NESBITT: What does the Premier think of clause 5, by which we legalize the by-laws of the Council, although we know nothing about their by-laws?

Mr. BORDEN: I am not familiar with the by-laws of the various local councils; but, inasmuch as the ladies in the various cities and towns of Canada carry on the affairs of these local councils under these by-laws and have done pretty good work, I think we may safely assume that the by-laws are reasonable, and that if they are not reasonable they will be amended under the provisions of this Act.

Mr. GERMAN: Is this the inauguration of female suffrage?

Mr. BORDEN: I am not prepared to answer that, because I really do not know anything more about the Bill than my hon. friend; and, in the absence of Sir Edmund Osler, I thought I would like to help it along if I could.

[Mr. Borden.]

On section 9—acquisition of real property:

Mr. BORDEN: That is the only other important section. It provides that the National Council may hold real estate to the amount of not more than $20,000, and any local council to an amount not exceeding $10,000.

Bill reported, read the third time, and passed.

PATENT OF JOHN ARNOLDI.

The House in committee on Bill 143, respecting a patent of John Arnoldi.—Mr. Macdonell. Mr. Blondin in the Chair.

On section 1—power to commissioner of patents for extension of patent:

Mr. CARVELL: What is this patent?

Mr. BURRELL: This is a patent against whose renewal our department raise no objection. Arnoldi, the patentee, had paid in fees for two terms, that is twelve years, and then became very ill just before the final payment was due, so that he could not attend to his own business and would not allow anyone else to do so, and the third payment lapsed. The patent is the only thing left to the widow, who is the beneficiary legatee, and she asks that she may be allowed to revive it through this Bill. The Senate unanimously passed it, and our department raise no objection under the circumstances.

Bill reported, read the third time, and passed.

PACIFIC, TRANS-CANADA AND HUDSON BAY RAILWAY COMPANY.

The House in committee on Bill 142, respecting the Trans-Canada and Hudson Bay Railway Company.—Mr. Douglas. Mr. Blondin in the Chair.

On section 1—extension of time:

Mr. LANCASTER: I was unable, on account of the state of my health, to be here on Friday night, but I understand from reading 'Hansard' that some hon. gentlemen desired an explanation of this Eill. We have passed the Bill from the Senate as printed without any amendment. It is the first extension of time asked for this line of railway, and, of course, to that extent the Railway Committee had some sympathy with it. It originated in 1912. The line runs from Edmonton to Port Nelson or Fort Churchill, and from Lone river to Peace river, crossing thence

through Laurier pass to Prince Rupert or Portland canal. It is about a thousand miles in length, and the capitalization in 1912 was fixed at $10,000,000.

Mr. LEMIEUX: Who are the promoters?

Mr. LANCASTER: I have not the original act of incorporation before me, so I cannot give that information. The only objection made in the committee was as to the name. One hon. gentleman thought that the words Hudson bay were objectionable, but he did not press the objection. The difficulty is that the company has had corporate powers since 1912 by the Act of this Parliament, and in the absence of some very good reason for making a change in name we did not like to make one.

Mr. OLIVER: What is the route of the railway from Edmonton? I am informed the route is through Athabaska Landing. If so, I shall be glad to consent to the extension of time, but if it is not routed through Athabaska Landing, I want it so routed as a condition of the extension of time.

Mr. LANCASTER: As a matter of fact, I cannot say that it is, or is not so routed. The language is not so specific as that. It reads: 'from Edmonton to Port Nelson' and the railway is not required to run actually though Athabaska Landing. The Minister of Railway will have to deal with that question in approving the route map.

Mr. OLIVER: I wish to make very emphatic objection to the extension of time in the charter. Either the charter means nothing at all, or it means that a railway will be built. If it means nothing at all, it should not encumber the statute book. There are certain railroads built, and building, to the northwest and to the northeast of Edmonton. If this railroad is to be routed approximately near Athabaska Landing, as the representative of that district, I want it routed through Athabaska Landing. I do not want this railroad to be able to hold up an established town that is adjacent to their proposed line of railway. If, on the contrary, it is routed to pass a considerable distance from Athabaska Landing I have nothing to complain of; but as the representative of that district I want to know what is the intention of Parliament in this matter, and to have the interests of this established town protected so far as Parliament can protect them.

Mr. LANCASTER: I see that the section does make it an alternative.

Mr. OLIVER: I notice that the original Bill provides that the company may build from a point at or near the city of Edmonton, thence northerly by the most feasible route to, at, or near Athabaska Landing. I do not object to the words 'at or near' in the case of Edmonton, which is an established city and railroad centre, and a railway constructed thereabouts would necessarily be constructed from Edmonton. The interests of the railroad would compel that, but in the case of Athabaska Landing the position is different, and I would like the committee to amend the charter in order to make the railway run through Athabaska Landing.

Mr. LANCASTER: Perhaps we can do that here. If the House is unanimous, we could strike out the words 'at or near.'

Mr. OLIVER: That would be very satisfactory to me.

Mr. LANCASTER: Then I would move that a new section be added at the end of the Bill as follows:

Section 8 of chapter 134 of the statutes of 1912 is amended by striking out the words 'at, or near' after the word 'to' in the fifth line of the said section.

Mr. GRAHAM: Perhaps the hon. member had better give notice of that amendment; then it will not be necessary for him to be here when the Bill goes through.

Progress reported.

PRINCE EDWARD AND HASTINGS RAILWAY COMPANY.

The House again in Committee on Bill No. 93, respecting the Prince Edward and Hastings Railway Company.—Mr. Hepburn. Mr. Blondin in the Chair.

Mr. LANCASTER: Perhaps the committee would like a word of explanation. We are not changing section 1 at all, but we are changing section 3 by striking out the words 'from a point at or near,' so as to make the railway run from Brighton. They have authority to build from Trenton easterly to Belleville, thence northwesterly to Frankford, thence to Trenton; also a branch line to Picton and also three branch lines from Picton to Ferry Point, West Point and Black River, respectively. This authority is given in the original incorporation. Under section 2 of the present Bill we are allowing a little additional construction.

Mr. GRAHAM: As the member for Prince Edward (Mr. Hepburn) is in his seat, perhaps he may explain section 2, which authorizes the construction of new lines from a point at or near Brighton by the most feasible route to Picton.

Mr. LANCASTER: We have struck out the words 'a point at or near,' so that the railway will run from Brighton.

Mr. HEPBURN: The distance from Brighton to Picton, and thence to Kingston is about 72 miles.

Mr. GERMAN: How are you going to get from Picton to Kingston?

Mr. HEPBURN: We propose bridging at Glenora.

Mr. GERMAN: A rather long bridge.

Mr. GRAHAM: Could the promoter of the Bill tell us the names of the directors of this company? The Chairman of the Railway Committee, I presume, has not that information at hand. Is this railway for some large company now in existence?

Mr. HEPBURN: It is an independent road. The directors all reside in the county of Prince Edward.

Mr. GRAHAM: Is it an electric road?

Mr. HEPBURN: No, steam.

On section 3—securities:

Mr. LANCASTER: The amount of securities is exactly the same as in the original Bill.

Mr. GRAHAM: I see that an additional amount of security is required in case they double track. I do not suppose they will double-track for some time.

Mr. HEPBURN: You cannot tell; that is the most fertile county in Canada.

Section agreed to.

Bill reported, read the third time, and passed.

RAINY RIVER RADIAL RAILWAY COMPANY.

The House again in Committee on Bill No. 141, respecting Rainy River Radial Railway Company.—Mr. Carrick. Mr. Blondin in the Chair.

Mr. LANCASTER: This Bill, which came to us from the Senate, has not been amended at all except that we added the standard clause, which prevents the construction on highways without the consent of municipalities.

Mr. GRAHAM: This is a renewal of a charter granted in 1910. One of the questions that arise frequently in connection with the renewal of charters is in reference to the distribution of electric energy and the powers in connection with it. The Railway Committee has adopted a standard clause, and inserts it even in a renewal of a charter. Has that been done in this case?

Mr. LANCASTER: There are three standard clauses that we now insert in every railway charter. One is as to water-powers and electricity, one as to putting up poles upon the highways, and the other as to securing the authority of the municipality before constructing upon highways. The first two are in the charter as passed in 1910, and the third is inserted by our amendment.

Mr. GRAHAM: What is the route of this railway?

Mr. CARRICK: It runs through the northern section of the Rainy River district. The route is given in section 8 of the charter, chapter 152 of the Statutes of 1910:

> From a point on the northern boundary of the state of Minnesota at or near the town of Fort Frances, to a point on the lake of the Woods at or near the mouth of Big Grassy river;
>
> From a point on the said line west of the township of Mather, to a point on the lake of the Woods at or near the mouth of the Little Grassy river;
>
> From a point, or points, on the first described line in or east of the township of Mather, to a point on the northern boundary of the state of Minnesota at or near the Long Sault rapids on the Rainy river, and to the town of Rainy River or a point on the northern boundary of the state of Minnesota at or near the town of Rainy River.

Mr. GRAHAM: I suppose the reason for getting a charter in this Parliament was that the fact that it touches the Minnesota border makes it an international railway. Is this an electric railway?

Mr. CARRICK: I do not think so.

Mr. GRAHAM: Is it intended to get the water-power from Rainy river? There are a good many water-powers on Rainy river and these are in dispute between Minnesota and Ontario.

Mr. OLIVER: This charter seems to raise a very serious question, and I think the acting Minister of Railways (Mr. Reid) should state the position of the Government with regard to it. It will be noticed

that this railway touches the United States boundary at two points. I am sure the House would like to know, and know very definitely, whether it is the intention of the Government, in sanctioning this charter, to permit the carriage of wheat from the Canadian West into the United States. Surely, there are enough railways now crossing the boundary diverting the trade of Canada to the United States and preventing profit-earnings upon Canadian transcontinental lines without any more such railways being permitted. We would like to have a declaration from the Minister of Railways upon that point.

Mr. REID: This Bill came up in the Railway Committee the other day. I was not present, having another committee to attend. I have not looked into the matter very carefully and would not like to pass an opinion now. If there are any objections or if the question is deemed important, we will let the Bill stand over. But I am surprised to hear the hon. member objecting to more railways taking wheat into the United States, because he was urging that very strongly a day or two ago.

Mr. OLIVER: That will not do. I am not objecting to the Bill; I am asking for a declaration of principle in regard to the Bill by the Government whose policy is distinctly against the carrying of wheat into the United States as that policy was put forward by the Minister of Finance in his Budget speech, and I think by almost every other hon. member on that side who followed him.

Mr. REID: I think that was the policy of the hon. member when the Transcontinental Bill was brought in—that is, to bring wheat from the West through Canada. I hope he has not changed his policy.

Mr. OLIVER: Of course, if it is necessary to explain, the explanation is that the policy of those who established the Transcontinental was to provide all facilities for the export of the productions of the West in every available direction—whether by the construction of the Transcontinental, the construction of the Hudson Bay railway or the construction of lines across the international boundary. It was hon. gentlemen opposite who opposed the construction of lines across the international boundary. Yet, though in control of the House, they sanction the building of such lines.

Mr. GRAHAM: As a matter of fact, on that point the Government is not serious; that is the explanation.

Some hon. MEMBERS: Oh, oh.

Mr. GRAHAM: They are just talking for effect, and not for traffic. This Act was passed in 1910, and consequently it must be a fairly good Act. What I wanted to get at was just where the railway ran and what its powers were. I had the route generally in mind, but wished to know it more definitely. So far as the traffic north and south is concerned, the increase in traffic between Canada and the United States shows the wisdom of improving facilities for that traffic. For, so long as that traffic is profitable, you cannot stop it. I think that after the explanation of the promoter of the Bill we ought to let it pass, as the Government now say it is their policy to have all the railroads possible.

Mr. NESBITT: Is the expression 'at or near' Rainy river all right?

Mr. CARRICK: I think that is satisfactory.

Bill reported, read the third time, and passed.

LABRADOR, QUEBEC AND SOUTHERN RAILWAY.

The House in Committee on Bill No. 97, to incorporate the All Red Line Railway Company (its title to be the Labrador, Quebec and Southern Railway Company).—Mr. Fripp. Mr. Blondin in the Chair.

On section 1—incorporation:

Mr. LANCASTER: There is an amendment to section 1 as to the name, striking out the words 'All Red Line' and inserting the words 'Labrador, Quebec and Southern.' The Bill was very much cut down in the Railway Committee. The company were seeking powers to build from Labrador to the Pacific ocean. They found they could not get such a Bill through, and concluded they would go from Labrador to Quebec only. That makes it a reasonable charter, and we cut down the mileage, the capitalization and the bonding powers to suit.

Mr. GRAHAM: Who are the promoters of the line of railway?

Mr. LANCASTER: The promoters' names are given in section 1 of the Bill, as follows:

Edward J. Holland, agent, of the town of Prescott, in the province of Ontario; Freeman H. Palmer, manufacturer, and Walter F. Stafford, manufacturer, both of the city of Buffalo, in the state of New York, one of the United States; George F. Hope, agent, and George A. White, agent, both of the city of Toronto.

Mr. GRAHAM: That really originates in Prescott.

Mr. J. D. REID: I will not acknowledge that.

Mr. LANCASTER: Two in Toronto, two in Buffalo, and one in Prescott.

Mr. GRAHAM: The acting Minister of Railways will have to take a good deal of responsibility for this Bill, as it really originates in his own town. It seems reasonable that this railway project would not be launched without consultation with him.

Mr. J. D. REID: This is not the project that was originally launched.

Mr. LANCASTER: The minister opposed the project that was launched; this is it as we cut it down.

Mr. GRAHAM: This is the remnant, and no doubt the hon. gentleman will be responsible for it. Can the acting minister tell us what backing there is behind the project and what was in the mind of the promoters when they proposed the original charter? It may be of deep interest to the people of the country to know what the promoters originally wanted, and why it was curtailed. Why were they not allowed to carry on their philanthropic intention to the full? No doubt the acting Minister of Railways knows all that, seeing that the principal promoter is a neighbour of his.

Mr. J. D. REID: Mr. F. A. Knapp of Prescott was the only one who spoke to me about the original proposal of a railway from Labrador to the Pacific coast.

Mr. LEMIEUX: Is that the Knapp of Knapp's roller boat?

Mr. REID: Yes. Mr. Holland, who is mentioned among the promoters, is Mr. Knapp's son-in-law. Mr. Knapp asked me simply if I would urge that the Bill go through; but, instead of doing that, I opposed it very very strongly, for the reason that I did not think any one could get sufficient backing to build a railway from Labrador to the Pacific coast.

Sir WILFRID LAURIER: What do you think about it now?

[Mr. Lancaster.]

Mr. REID: I think now as I thought then, that he could not get sufficient backing to build a railway from Labrador to the Pacific coast, and I opposed the Bill. It came before the Railway Committee, but I was attending a meeting of the Redistribution Committee and could not be present. He tells me now that he

4 p.m. has sufficient backing to build the road from the Labrador coast to Quebec, and he said he had Mr. Gould of New York and several other capitalists interested in it.

Mr. EMMERSON: Is that the Mr. Gould who is building a railway in New Brunswick?

Mr. REID: I have not the slightest idea. I would not feel justified in allowing a railway Bill to go through, for what is called the All Red line, from Labrador to the Pacific coast, because I believed it would be simply a promoter's scheme, and for that reason I opposed it. But the committee felt they were justified in reducing it to a railway from Labrador to Quebec.

Mr. GRAHAM: The minister is right in saying that they should not be allowed to call it the All Red line. My own opinion is that it will never be any more than a thin red line on the map.

Mr. REID: That is what I think myself.

Mr. GRAHAM: And I am not quite so sure that it is a proper thing to charter them to build a railway from Labrador to Quebec. The acting minister tells us he was at the Redistribution Committee instead of being at the Railway Committee, but so far as I am concerned I think he would do far better work in the Railway Committee, in the interests of the country at large. I am not satisfied with what he is doing in the Redistribution Committee, and I am only partially satisfied with what he is doing in the Railway Committee.

Mr. J. D. REID: I have done nothing in the Redistribution Committee yet.

Mr. GRAHAM: I am afraid your intentions are bad. We have been in the habit here, of, in almost every instance, giving charters for railways in the hope that something would come of it, but we are rapidly arriving at a point where we can afford to be more careful about giving indiscriminate charters, else we may stop some legitimate project, which would have substantial backing. I do not know enough about this charter to oppose it, but I do

believe it is proper to curtail its powers and to prevent these people calling it the All Red line, which might deceive investors in the old land, and we do not want any more of that.

Mr. MACDONALD: Is it alleged by the promoters that they have made any arrangement for steamships to connect with this railway from a Labrador port? Has the minister considered as to the right of this Parliament to grant a charter in territory which is now in dispute with Newfoundland? Where do the promoters expect to get the capital for this enterprise?

Mr. J. D. REID: The only information I have as to the financial backing of the road is that Mr. F. A. Knapp of the town of Prescott gave me his word that Mr. Gould of New York and other wealthy men were interested in it.

Mr. MACDONALD: Which Mr. Gould?

Mr. REID: He simply said, Mr. Gould of New York. So far as I am concerned, I must say that I have not sufficient evidence before me to justify me in saying to the House that I believe there is sufficient financial backing to build this railroad. As to the right to go through Labrador, as I understand it, this Bill only grants a charter to the Labrador boundary line. I do not know anything about their arranging for steamships. No doubt the promoters will try to float the scheme, but I do not myself believe that this road will be built for some time.

Mr. DEVLIN: It was stated in the Railway Committee that the promoters of this Bill had already received a charter from Newfoundland, for steamships to the Labrador coast.

Mr. OLIVER: I wish again to draw the attention of the House to the change of policy on the part of the Government as regards railways. Within the last quarter of an hour we have seen the acting Minister of Railways support and pilot through the House a charter to build a railway to the international boundary at two points, and now we hear him avow his opposition to the project of a railway running east and west, intended quite evidently to carry the products of the western plains to the European markets by the most available railroad route. I would like to know if this is a reversal of policy, merely on the part of the Department of Railways under the acting minister, or, if it is to be taken by the country as a new departure by the Government at large. This, it would appear to me, would be a very appropriate time for the House to be informed exactly as to where the Government stands on this very important question of railroad construction, east and west, and north and south.

Mr. J. D. REID: I would not object to a charter being granted for the building of a railroad from Labrador to the Pacific coast, if I thought there would be any possibility of the promoters building it.

On the Other hand, when a promoter comes before the Railway Committee with a Bill to incorporate the All Red Line Railway Company, which in my opinion may result in a scheme being floated which, I believe, will be only a promoter's scheme after all, I feel perfectly justified in preventing that Bill from going through, in the interest of those who might subscribe for stock and also in the interest of the good name of Canada. It would not matter to me whether the line were east and west or north and south. I opposed this Bill simply for the reason that I believe it was a scheme that, if allowed to go through, might result in a great loss to those who might subscribe, and injure the good name of Canada in raising money in other countries.

Mr. OLIVER: I am sure the House will congratulate the Government upon the new policy now enunciated by the acting Minister of Railways, namely, that the Government will assume responsibility for the bona fides of railroad charters put through this House. There is no doubt that, if that were done, it would have a very beneficial effect upon railroad construction in Canada. From what the minister has said, I presume we are bound to conclude that the large number of charters which have been put through this session have been examined by the Department of Railways, that the fact of their having gone through with Government sanction is an assurance of the bona fides of the applicants, and that we may be assured that these railroads will be constructed.

Mr. MACDONALD: On this measure a situation has developed that should be considered by the House. We are building a railway to Hudson bay, and I assume that the Minister of Railways will very shortly ask this House to vote large appropriations in connection with the terminals on the bay. This railway will bring into active communication with the rest of Canada the

whole of the coast from Hudson bay to the strait of Belle Isle. I noticed not long ago the statement with reference to the visit to England of Sir Edward Morris that one of his chief objects in going there was to settle the question as to whether Canada or Newfoundland had the absolute right to the territory along the coast. The title and the right of government to that territory will become of vital importance to Canada with the construction of the Hudson Bay railway; and the proposal in this Bill that we should give the right to construct a railway from a point in the province of Quebec to a Labrador port, and the statement made that this company has obtained from the Newfoundland Government chartered rights over this disputed territory, brings acutely before the House the question where this Government stands in regard to this point. On the map of the Dominion of Canada there is a yellow tinge along the coast from the strait of Belle Isle north, and it has always been assumed that that was the territory over which Newfoundland claimed to have some control. I would regard it as unfortunate if the Dominion of Canada did not control every atom of territory from the Atlantic to the Pacific. In view of the development of Hudson bay this question of control becomes exceedingly important. Would the Prime Minister tell us what is the situation in regard to the disputed territory?

Mr. J. D. REID: I do not see how the building of the Hudson Bay railway comes into the question, because the terminus will be at Port Nelson. Labrador runs from the strait of Belle Isle to the head of the Hudson strait. I do not think it goes around the whole bay to Port Nelson. The proposed railway is to go west near the strait of Belle Isle from a place called Cape St. Charles, which, I think, is only 50 or 100 miles from the strait, so that there will not be raised any question between Labrador and Canada.

Mr. MACDONALD: There is now no protection for shipping going to Hudson bay. The inauguration of the Hudson Bay railway of necessity involves tremendous expenditure by this Government in order to provide for the navigation of the bay and the strait. My hon. friend in administering the Department of Railways has found that supplies for the bay have to be transported in vessels from the Maritime provinces; and the safety of those vessels and the control of the territory lying between the strait of Belle Isle and the Hudson strait are matters of great importance.

Mr. BORDEN: Some difficulty arose about the exact form of question which should be submitted for the determination of the Judicial Committee of the Privy Council. It was found that under an Imperial statute this question could be decided by the Judicial Committee itself.

Mr. MACDONALD: As a matter of law or as a matter of arbitration?

Mr. BORDEN: The Judicial Committee would act under the provisions of an Imperial statute.

Sir WIFLRID LAURIER: As a matter of law.

Mr. BORDEN: It would have to be a matter of law. I do not know the exact provisions of the statute at this moment. The matter has been altogether in the hands of the Department of Justice, and I am not very familiar with it except as to these particulars. There was a distinct agreement between the two Governments that the matter should be referred to the Judicial Committee; but when it came to settling the form of the question to be submitted, a difference of opinion arose, and I understood that, under an Imperial statute, it was competent for the Judicial Committee of the Privy Council to settle the form, and proceedings were taken for that purpose.

Sir WILFRID LAURIER: I know something about this matter, because a question arose some years ago with respect to it. The Newfoundland Government gave a license to cut timber upon the Labrador coast. The Quebec Government had also given a license. The holders of the license from the Quebec Government and the holders of the license from the Newfoundland Government found their rights clashing, and the matter was referred to the late Government of the Dominion. The suggestion was made to refer the matter to the Judicial Committee of the Privy Council. So the matter stood when the late Government left office. I do not know what has happened since; perhaps the Minister of Justice (Mr. Doherty) will inform the House.

Mr. DOHERTY: I understand that action was taken between the parties in the dispute referred to. Representations were

made to the Government by the Government of the province of Quebec and upon those representations being communicated to the Home Government it was suggested that the question of the boundaries between Labrador and Newfoundland should be referred to the Privy Council under a statute of William IV which makes provision for such a reference. Or rather, the original representation made to the Home Government was in the form of a complaint that Newfoundland had been infringing upon our territory. The Home authorities communicated with the Newfoundland Government who answered that they were within their lines and within their rights in what they had done. Thereupon, the Home Government suggested that there should be a reference to the Privy Council and also that the Newfoundland Government and the Government of Canada should agree upon such a reference. This was agreed to and there followed negotiations looking to a settlement of the precise form of the proceedings that should be taken in the matter. Furthermore, the province of Quebec, being directly interested, represented that they ought to be parties to the case. So far as that representation is concerned, we felt that the issue being with an outside possession the Dominion was the proper party to act, but we did agree that in applying to the Privy Council we should act in consultation with them, and if they desired to name counsel in connection with the drawing of the pleadings we would be agreeable. Then, if they thought proper to ask the Privy Council that they should be represented at the hearing we would make no objection. Upon that matter being so adjusted, with the co-operation of the provincial government, or at all events counsel named by them, the next step was to arrange with the Government of Newfoundland as to the proceedings to be followed. In reference to that, interviews were held in London last summer, and we were under the impression that final agreement had been arrived at. It would appear, however, that, as I presume, when the matter was reported to the Newfoundland authorities, they took exception to the form in which the question was put. Thereupon, as it seemed to us, that the question as agreed to was properly put, and agreement being apparently impossible, we approached the British Government and asked that the question should be by His Majesty referred generally to their Lordships under the statute of William IV. to which I have referred, leaving it to them finally to fix the precise form in which the question should be submitted to them, and also the proceedings to be taken. And the matter stands in that position.

Mr. MACDONALD: The wording of this Bill recognizes the existence of a boundary line between the territory of Canada and the territory of Labrador. If hon. members will refer to section 8 they will see that that is so. In view of the situation in which this matter stands between Canada and Newfoundland, is it wise for us to pass legislation in this House which plainly recognizes the existence of a boundary, whereas we are proposing to argue before the Judicial Committee of the Privy Council that no such boundary exists.

Mr. J. D. REID: So far as the Bill is concerned, I was going to say that the question which the hon. member has raised is one of great importance, and so I would ask that the committee allow the Bill to stand until another day.

Mr. DOHERTY: I do not understand that we propose to argue that there is no boundary line; on the contrary we contend that the precise points through which that line is to be drawn are fixed by the proclamation that dealt with the matter, and what we propose to have referred for determination was just where this line runs as a matter of fact and what land lies on one side of the boundary and what lies on the other. My recollection is that the instrument gives Newfoundland that part of the Labrador coast that lies eastward of a line drawn from a certain point direct north to a certain parallel. What we hope for under this adjudication is to learn just where that line runs on the land itself. We do not say there is no boundary, but we say that it is necessary to determine in accordance with what is defined, just where the line so defined, runs.

Mr. MACDONALD: I apprehended—of course, I may be incorrect—that the question was how much of this northern land was under the protectorate of the Colony of Newfoundland for the purpose of maintaining order, etc. I was not aware that there was any defined territory there constituting a part of Newfoundland. It would seem to me desirable—and I have no doubt the minister is already seized of this point—that Canada should, if possible, establish territorial rights to every part of the land that is within what is known as the Dominion of Canada in a territorial sense. While Newfoundland may, on account of her situation

and proximity, be the Government in the best position to deal with it so far as protectorate is concerned, yet Canada, having acquired larger responsibility in the northern country which she is now exploiting, should obtain control—by negotiation or otherwise—absolute control, of the territory there. This question is important, and I think well worthy of consideration in connection with the terms of this Bill. We should not pass legislation which could and might be urged as having some effect in fixing the boundary line.

SASKATCHEWAN CENTRAL RAILWAY COMPANY.

Further consideration of amendments made by the Senate to Bill No. 49, respecting The Saskatchewan Central Railway Company—Mr. McCraney—resumed from April 2.

Mr. LANCASTER: I understand that the hon. gentleman in whose name this Bill stands is not able to be present, but desires us to report to the Senate on the lines of the report of the Railway Committee. I therefor beg to move:

That a message be sent to the Senate to acquaint Their Honours that this House disagrees to their amendments to the Bill 49, an Act respecting the Saskatchewan Central Railway Company, for the following reasons: Because it does not appear to be in the interest of that part of the country to allow two years further extension of time to commence construction and five years to complete this railway.

Motion agreed to.

SECOND READINGS.

Bill No. 157, for the relief of Elizabeth Chausse.—Mr. Schaffner.

Bill No. 158, for the relief of Beatrice Mae Stinson Fotheringham.—Mr. McCraney.

Bill No. 159, for the relief of Eva Jane Bateman.—Mr. Douglas.

Bill No. 160, for the relief of Florence Relf.—Mr. Douglas.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

GOVERNMENT RAILWAYS COAL SUPPLY.

Mr. MACDONALD:

Who are the persons, and what firms or corporations whom the Railway Department, or any of its officials, have asked to make offers for the supply of coal to the Intercolonial and Prince Edward Island railways during the present year?

Mr. J. D. REID: The following firms have been asked to submit offers for the supply of coal for the Intercolonial and Prince Edward Island railways for the year 1914-15:

Nova Scotia Steel and Coal Co., New Glasgow, N.S.
Dominion Coal Co., Ltd., Montreal, P.Q.
Inverness Railway and Coal Co., Halifax, N.S.
Acadia Coal Company, Stellarton, N.S.
Intercolonial Coal Mining Co., Westville, N.S.
Maritime Coal, Railway and Power Co., Joggins Mines, N.S.
Rothwell Coal Company, St. John, N.B.
Colonial Coal Company, North Sydney, N.S.
Minudie Coal Company, River Hebert, N.S.
Minto Coal Co., Ltd., Minto, N.B.
Northfield Coal Co., Minto, N.B.
George H. King, Minto, N.B.
Elwin Long, Maccan, N.S.
Harvey Welton, Minto, N.B.
Royal Coal Company, Amherst, N.S.
Thomson Coal and Brick Co., Adamsville, N.B.
John Rector, Amherst, N.S.
J. M. Kennedy, Minto, N.B.
Cape Breton Coal, Iron and Railway Co., Ltd., Broughton, N.S.
J. Bert Ross, Buffalo, N.Y.
American Steel Company, Pittsburg, Pa.
Moreland Coke Company, Pittsburg, Pa.
Ernest Law & Company, Philadelphia, Pa.
Keystone Coal and Coke Co., Philadelphia, Pa.
Watkins Coal Company, Philadelphia, Pa.
Pennsylvania Coal and Coke Co., New York, N.Y.
Geo. Hall Coal Company, Ogdensburg, N.Y.
J. H. Weaver and Company, Philadelphia, Pa.
Whitney and Kemmerer, Philadelphia, Pa.
Widnoon Coal Mining Co., Buffalo, N.Y.
H. W. Somers, Albany, N.Y.

RAILWAY APPOINTMENTS IN BONAVENTURE.

Mr. MARCIL:

1. Who recommends the appointment of sectionmen and labourers on the Intercolonial railway in Bonaventure county?
2. To whom are said recommendations made?

Mr. J. D. REID:

1. The Minister of Railways and Canals assumes the responsibility of all appointments made on the Intercolonial railway, using his best judgment to secure proper persons for the work required.
2. Answered by No. 1.

AGRICULTURAL SUBSIDY OFFICERS.

Mr. E. LAPOINTE:

1. Referring to the following question, and answers appearing in the French 'Hansard' of 2nd February last, on page 390.—Mr. E. Lapointe.
1. Has the Government appointed officers with instructions to supervise the distribution and management of the federal subsidy intended for the provinces for agriculture?
2. If so, what are the names of these officers and the provinces for which they have been appointed?
3. Prior to granting to the provinces of a special subsidy for agricultural purposes, has the Government ordered an investigation or study, or caused information to be taken by

one of their officers as to the situation and the agricultural wants in each of the provinces?
4. If so, has such officer sent in a report?
5. What parties have been consulted in each of the provinces?

Mr. Burrell:

1. Yes.
2. Dr. C. C. James generally, assisted by Mr. Chapais for the province of Quebec.
3. Dr. C. C. James was appointed for the purpose.
4. He reported to the Minister of Agriculture.
5. The provincial departments of agriculture and the various agricultural educational authorities.

What officers of the Department of Agriculture for the province of Quebec have been consulted, as stated in answer No. 5?
2. Was the Minister of Agriculture of the province of Quebec consulted?
3. Did Dr. C. C. James personally go to each of the provinces of Canada in order to supervise the distribution and management of the federal subsidy intended for agriculture?
4. If not, in what provinces has he been?

Mr. BURRELL:

1. The Minister and Deputy Minister of Agriculture.
2. Yes.
3. Dr. James has visited all the provinces in connection with the federal subsidy for agriculture, although arrangements for plans and expenditure in Quebec have chiefly been dealt with by the Minister and Deputy Minister of Agriculture of Quebec, the Minister of Agriculture for Canada and Mr. Chapais.
4. Answered by No. 3.

INTERCOLONIAL RAILWAY REPAIR SHOPS.

Mr. MACDONALD:

1. Has the Department of Railways under consideration the taking over of the shops of the Truro Foundry and Machine Company at Truro, Nova Scotia?
2. If so, for what purpose are these shops to be used?
3. Has any agreement been made?
4. If so, what is the amount of the consideration?
5. Does the Railway Department intend to increase the facilities at Stellarton, Pictou county, with a view to making provision for making greater repairing conditions there?

Mr. J. D. REID:

1. No.
2, 3 and 4. Answered by No. 1.
5. Yes, such as the business may demand from time to time.

VANCOUVER LEASED BUILDING.

Mr. MACDONALD:

1. Has the Government under lease a building in Vancouver, B.C., from MacLean Bros.?
2. If so, when was it leased, and for what term?
3. What rental is paid, and for what purpose is it used?
4. When was the new examining warehouse in Vancouver completed?
5. For what purpose is it now used?

Mr. J. D. REID:

1. The Government has a warehouse in Vancouver rented from MacLean Bros.
2. The warehouse was rented from MacLean Bros. on June 15, 1912, for a period of time until the new examining warehouse was expected to be ready.
3. The rental paid is $650 per month.
4. Final estimate for construction was passed on September 12, 1913; fittings are now being installed.
5. The new building is now used in part for customs examining warehouse purposes, but will soon be used wholly for these purposes when the fittings are completed.

INTERNATIONAL CONGRESS OF DENTISTRY.

Mr. LEMIEUX:

1. Has the Government been invited to officially participate in the International Congress of Dentistry to be held at London, England, on the 7th of August next?
2. Have Canadian delegates been appointed by the Government? If so, who are they?

Mr. W. T. WHITE:

1. The Government has been invited to be represented at the Sixth International Congress of Dentistry, to be held at London, England, in August next.
2. Inasmuch as dentistry is a matter appertaining to the provinces, the various provincial Governments have been communicated with on this subject. Pending their replies, no appointment of delegates has been made.

INTERCOLONIAL RAILWAY — STANDARD RULES.

Mr. CARROLL:

1. Are the so-called Standard Rules in force on the Intercolonial railway?
2. If so, when did they become effective?
3. How many teachers were engaged instructing the Intercolonial railway employees on the said Standard Rules?
4. How much money has been spent to date on said instruction?
5. How many Intercolonial railway employees have resigned as a protest against such rules?
6. How does the management of the Intercolonial railway hope to get reimbursed for the cost of making those rules apply to the Intercolonial railway?

Mr. REID:

1. All standard rules are in force on part

of the Intercolonial railway, and many of them in force on the balance of the Intercolonial railway system.

2. At various times.

3. As many as fourteen.

4. Approximately $5,000.

5. None.

6. By promoting safety, efficiency, economy, and despatch in the operation of the railway.

TOBACCO MANUFACTURE IN QUEBEC.

Mr. SEGUIN:

What was the excise duty and the revenue derived by the Government from the manufacture of tobacco in the counties of l'Assomption and Montcalm respectively, during the last five years?

Mr. NANTEL: Revenue derived from manufactures of tobacco during the five fiscal years ended March 31, 1914, in the counties of L'Assomption and Montcalm:

L'Assomption.

Year.	License fees.	Tobacco.	License fees.	Cigars.	Total.
1910	$150	$5,172 05	$125	$6,122 70	$11,569 75
1911	150	4,369 57	150	6,194 40	10,863 97
1912	200	5,140 70	150	5,394 85	10,885 55
1913	200	6,579 14	200	5,518 42	12,497 56
1914	175	8,312 60	200	7,283 50	15,971 10
	$875	$29,574 06	$825	$30,513 87	$61,787 93

Montcalm.

Year.	License fees.	Tobacco.	License fees.	Cigars.	Total.
1910	$ 75	$ 248 89	.....	.....	$ 323 89
1911	100	346 28	.....	.....	446 28
1912	100	233 25	.....	.....	333 25
1913	125	570 75	.....	.....	695 75
1914	225	1,655 05	$25	$48 60	1,953 65
	$625	3,054 22	$25	$48 60	$3,752 82

CUSTOMS VALUATION OF AGRICULTURAL IMPLEMENTS.

Mr. TURRIFF:

1. Have any changes been made for customs purposes since October 1, 1911, in the valuation of binders, reapers and mowers imported into Canada?

2. If so, on what dates were changes made?

3. What changes were made?

Mr. J. D. REID:

1. No.

2. and 3. Answered by No. 1.

VALLEYFIELD EXCISE AND CUSTOMS REVENUES.

Mr. MORRIS:

1. What were the excise revenues at Valleyfield in 1910, 1911, 1912 and 1913?

2. What were the names of the excise officers at Valleyfield in 1910?

3. What are the names of the excise officers at Valleyfield now?

Mr. NANTEL:

1. 1910, $53,995.13; 1911, $75,126.32; 1912, $86,703.89; 1913, $113,091.54—Total, $328,916.88.

2. A. Raymond, collector of customs, acting for Inland Revenue Department.

3. Alfred Lefebvre, Denis Emond.

Mr. MORRIS:

1. What were the revenues of the customs office at Valleyfield, Que., for the years 1910, 1911, 1912 and 1913?

2. Who are the actual employees, and what are their salaries?

Mr. J. D. REID:

1. For fiscal year 1909-10- - - -$38,434.04
" " " 1910-11- - - - 81,247.54
" " " 1911-12- - - - 90,307.77
" " " 1912-13- - - -137,604.68

2. Raoul Miron, collector, $1,700; Ismail Bourassa, preventive officer, $850; Ovila

Corbeil, preventive officer, $1,050; Arthur Seguin, preventive officer, $1,000.

SHERBROOKE DRILL HALL.

Mr. McCREA:

1. From whom was the site for a drill hall in Sherbrooke, Quebec, North Ward, purchased, and at what price?
3. If so, what is the amount of each tender?
4. Was the contract let to the lowest tenderer?
5. Was there any allowance for extra work? If so, for what amount?

Mr. SAM. HUGHES:

1. F. O. Loomis, old court house property; for court house and site, $10,000; deed dated 26th April, 1912.

Remaining questions not understood.

SHERBROOKE POST OFFICE INSPECTORS AUTOMOBILE.

Mr. McCREA:

1. Has an automobile been provided for the use of the post office inspector in Sherbrooke?
2. If so, what manufacture, and is it a new or second-hand car?
3. What price was paid for same?
4. Does the department bear the cost of keeping and running this car?

Mr. PELLETIER:

1. Yes.
2. Packard; purchased at Montreal after repairs necessitated by an accident.
3. $4,500.
4. Yes.

SHERBROOKE POSTAL INSPECTION DISTRICT.

Mr. McCREA:

1. Has a new postal inspection district been created in Sherbrooke?
2. If so, how many new employees have been appointed in connection with the new district?
3. What is the total amount of salaries paid the new employees, including the inspector?

Mr. PELLETIER:

1. Yes.
2. Five new employees have been appointed in connection with the new district.
3. $4,752 a year.

PENITENTIARY COMMISSION'S REPORT.

Mr. EDWARDS:

Has the report of the Penitentiary Investigation Commission been received by the Minister of Justice? If so, on what date?

Mr. DOHERTY:

1. Yes; laid on the table, April 22.
2. The report on April 15; the evidence on April 21.

CLAIMS AGAINST QUEBEC RAILWAYS.

Mr. MARCIL:

1. Does the Government intend paying the claims against the Baie des Chaleurs railway, the Atlantic and Lake Superior railway and the Quebec Oriental railway, reported on favourably by the commissioner, Arthur Plante, Esq.?
2. When may such payments be expected, and what will they amount to?
3. If any such payments are not to be made, why not?

Mr. J. D. REID:

1. The report of Arthur Plante, Esq., with reference to paying the claims against the Baie des Chaleurs railway, the Atlantic and Lake Superior railway, and the Quebec Oriental railway is now being considered by the Department of Justice.

2 and 3. Answered by No. 1.

CLAIMS AGAINST INTERCOLONIAL RAILWAY.

Mr. MACDONALD:

1. Have any claims been received from parties in the village of Hopewell, Pictou county, asking for damages from a fire occasioned by sparks from a locomotive on the Intercolonial railway during 1913?
2. If so, what were the names of the claimants, and what was the nature of each claim?
3. Have any of the claims been settled? If so, how much has been paid in each case?

Mr. J. D. REID:

1. Claims have been received from parties in the village of Hopewell, Pictou county, asking for damages occasioned by a fire caused by sparks from an Intercolonial railway locomotive on the 22nd of September, 1913.

2. The names of the claimants are as follows: J. D. M. Fraser; Alexander F. Grant; Independent Order of Foresters, by H. D. McLeod; Mrs. Enon McDonald; Mrs. J. A. McPherson. The claim in each case was for loss of buildings and contents.

3. All these claims have been settled, and cheques covering amounts accepted are being issued in payment of claims, as follows: J. A. M. Fraser, $1,450; Alexander M. Grant, $1,400; Independent Order of Foresters by H. D. McLeod, $900; Mrs. Enon McDonald, $900; Mrs. J. A. McPherson. $350.

CAP DE LA MADELEINE WHARF.

*Mr. BUREAU:

1. Is the wharf at Cap de la Madeleine, county of Champlain, being constructed by contract or by the day?
2. If by contract, who is the contractor, on what date was the contract awarded and what is the contract price?

3. (a) Were tenders called for, (b) how were they advertised, and (c) how long were they advertised?

4. How many tenders were received, what is the name of each tenderer, the amount of each tender, and the deposit accompanying each tender?

Mr. ROGERS:

1. Under contract.

2. Charles Pagé, contract signed on 3rd March, 1913. Awarded by Order in Council date 13th February, 1913. Schedule of prices.

3. (a) Yes; (b) in the following newspapers: Quebec, Chronicle, L'Evenèment, Le Travailleur; St. Joseph de Beauce, Le Ralliement; Grandmère, La Semaine; Montmagny, Le Peuple; Montreal, La Patrie, The Gazette; Rimouski, Le Progrès; Three Rivers, Le Bien Public; Shawinigan Falls, L'Industriel; Chicoutimi, Le Travailleur; Jonquières, L'Avenir; Chicoutimi, Le Progrès; (c) For four weeks, from 3rd December, 1912, to 27th January, 1913.

4. Two tenders received: Charles Pagé, based on schedule of price, approximately $49,461.92. Security deposit, $5,000; F. A. Verrette, $64,309.84; security deposit, $6,000.

EMPLOYMENT OF ALLEN J. CAMERON.

*Mr. KYTE:

1. What is the number of days Allen J. Cameron, barrister of Arichat, N.S., Fenian Raid Bounty Commissioner, county of Richmond, devoted to the work of investigating Fenian Raid bounty applications?

2. What was the daily remuneration paid to him for such services?

3. What is the total amount paid to him for such services?

4. How much was paid to him for expenses?

Mr. SAM. HUGHES:

1. Mr. A. J. Cameron was local member of the Board of Inquiry for Richmond county for five days.

2. No remuneration, but a subsistence allowance of $5 per diem, under Order in Council of 6th August, 1913.

3. $25.

4. $6.20.

ALEXANDER POST OFFICE.

Mr. A. W. CHISHOLM:

1. Has a change been made in the location of the post office at Alexander, county of Inverness, since December 1, 1913?

2. If so, on what date did such change take place, on whose recommendation and for what cause?

3. What is the name of the former postmaster and the name of the present incumbent?

4. Was any investigation held relative to the dismissal of the former postmaster?

5. Has there been a petition received by the Postmaster General from the inhabitants of the district protesting against such change?

6. What action, if any, has the department taken with regard to such petition?

Mr. PELLETIER:

1. Yes.

2. On the 15th December, 1913.

3. Edward McQuarrie and Finlay Beaton.

4. As the case was one of re-instatement of a postmaster who was dismissed in 1897, an investigation was not required.

5. Yes.

6. No action.

BURY DRILL HALL.

Mr. TOBIN:

1. Has the Government erected a building to be used as a drill hall at Bury, Compton county, Quebec?

2. If so, were tenders asked for the construction of this building?

3. What are the names of the different tenderers and the amount of each tender?

4. To whom was the contract awarded?

5. Was any change made in the site of this building after the tenders were received and the contract awarded?

6. If so, why was the change made?

7. Was there any change in the contract price owing to the said change of site?

8. How much has been paid for extras over and above the contract price?

9. To whom was the money paid?

10. Is the building complete?

11. If not, when will it be completed?

12. By what regiment or company will this building be used?

Mr. SAM. HUGHES:

1. Yes.

2. Yes.

3. In response to public advertisement, one tender was received, viz., Mr. Ayton Cromwell, Cookshire, Que., $11,750.

4. Mr. Ayton Cromwell, of Cookshire, Que.

5. Yes.

6. Because the site finally decided on was in every way more suitable for drill hall purposes than the old site.

7. No.

8. $350.

9. The contractor for construction of the building.

10. Yes.

11. Answered by 10.

12. 'B' Squadron, 7th Hussars.

MEGANTIC PUBLIC BUILDING.

Mr. TOBIN:

1. How much has been paid for repairs to the public building at Megantic, Compton county, since January 1, 1912?

2. Was the work done by tender or otherwise?

3. What are the names of the parties who

did the work and how much money was paid to each?

Mr. ROGERS: Nothing.

COOKSHIRE PUBLIC BUILDING.

Mr. TOBIN:

1. How much has been paid for repairs to the public building at Cookshire, Compton county, since its completion?
2. Was the work done by tender or otherwise?
3. What are the names of the parties who did the work and how much money was paid to each?

Mr. ROGERS: Nothing.

LEVIS PROPERTY PURCHASE.

Mr. BOURASSA:

1. What is the total cost to the Government of the Carrier-Laine property at Lévis, including new wharf adjoining this property, recently constructed by the Government?
2. (a) Is it the intention of the Government to lease this property to Mr. C. H. Carrier, Lévis? (b) If so, at what rental, and will the new wharf be included in the lease?
3. Were tenders called for the leasing of this property?
4. Is it the intention of the lessee to extensively operate this plant, thereby furnishing labour to a large number of working men in the community?
5. Has the Government taken the necessary steps to assure themselves that the lessee is in a position to operate this plant?

Mr. ROGERS:

1. $754,079.78.
2. (a) Under consideration; (b) No.
3. No.
4. So stated by Mr. Carrier.
5. No, but the department is satisfied that Mr. Carrier will be in such a position.

LARRYS RIVER HARBOURMASTER.

Mr. SINCLAIR:

1. Who is the harbourmaster at Larry's river, Guysborough county, N.S.?
2. When was he appointed?
3. Who recommended him?
4. What is his remuneration?
5. Is he paid a fixed salary or does he receive his remuneration from tonnage dues?
6. If the latter, how much did he receive for the year ending March 30, 1913?
7. How much did he receive for the year ending March 30, 1914?

Mr. HAZEN:

1. Isaiah Fougere.
2. By Order in Council of the 25th of August, 1903.
3. The late Hon. D. C. Fraser.
4. $200 per annum of the fees collected.
5. He receives his remuneration from fees collected.
6. $14.50 for calendar year 1912.
7. $8 for calendar year 1913. No returns have yet been received for 1914.

CANADIAN PACIFIC RAILWAY LABOUR AWARD.

Mr. A. K. MACLEAN:

What has been done by the Government to secure the carrying out of the award of the Board of Conciliation made and filed on the 9th December, 1912, in reference to the dispute between the Canadian Brotherhood of Railroad Employees and the Canadian Pacific Railway Company?

Mr. CROTHERS: The Minister of Labour followed the usual procedure, and took all such steps as seemed possible to secure the acceptance of the award by both parties to the dispute.

SHELBURNE COUNTY FISHERY GUARDIANS.

Mr. KYTE:

Who were the fishery guardians in Shelburne county, N.S., for the years ending March 31, 1913, and March 31, 1914, respectively, and what were the respective amounts paid to such fishery guardians for the fiscal year 1913-1914?

Mr. HAZEN:

1912-1913:

Jonathan Smith,
Rufus McKay,
J. R. King,
J. F. Hagar,
Chas. Towner,
John T. Hyer,
Herbert Smith,
Oliver Goodick,
Sydney Smith,
John McKay,
R. Firth,
J. F. Farrington,
Geo. Longhurst,
H. C. Dash,
John Nickerson,
Jas. E. Cross,
W. E. Decker,
D. P. Swim,
Fred. Poole,
Vincent Brannen,
H. D. Shand,
L. H. Crowell,
J. E. Smith,
B. H. Smith,
Judah Nickerson,
Heman Swaine,
J. M. Davis,
David Atwood,
S. H. Hagar,

1913-1914:

Daniel P. Swim	$ 25 00
Wm. E. Decker	25 00
Fred. Poole	25 00
Charles Towner	25 00
Robt. E. Hagar	30 00
Wm. McLean	6 25
Burtrum O. Bower	40 00
Robt. Firth	40 00
John McKay	40 00
Sydney Smith	40 00
Oliver Goodick	40 00
Herbert Smith	40 00
John J. Ryer	40 00
Rufus McKay	12 50
Freeman Hagar	50 00
Isaac King	50 00
George Longhurst	404 25
J. F. Farrington	248 25
H. C. Dash	182 40
James E. Cross	132 75
James R. King	17 50
Vincent Brannen	469 50
H. L. Shand	469 50
J. E. Smith	469 50
B. H. Smith	469 50
H. Swaine	244 50
John Nickerson	274 50
Judah Nickerson	469 50

P. A. Stoddart	$447 00
D. Atwood	469 50
J. Morton Davis	50 00

Mr. KYTE:

1. Who is the fishery guardian at East Ragged Island, Shelburne county, N.S.?
2. What amount was paid such fishery guardian for salary, travelling expenses and for any other purposes respectively, by the Government for the year ending March 31, 1913?
3. What remuneration for all purposes did he receive as fishery guardian for the year ending March 31, 1914?

Mr. HAZEN:

1. Wm. E. Decker.
2. $25.
3. $25.

PRESCOTT COUNTY MAIL DELIVERY.

Mr. PROULX:

1. How many tenders were received by the Post Office Department for the conveyance of the mails on free rural delivery route No. 2, Plantagenet, county of Prescott?
2. What are the names of the tenderers and the amount of their respective tenders?
3. Is it the intention of the department to establish the service in the near future?

Mr. PELLETIER: This information will be given when the contract has been awarded and executed by the contractor.

FENIAN RAID VETERANS.

Mr. SINCLAIR:

1. Referring to the duties of the Commissioners appointed to investigate the claims of veterans of the Fenian Raid in Nova Scotia, were their duties confined solely to an investigation of the historical facts relating to the action taken in the spring of 1866 by the various regiments of militia in Nova Scotia, and to ascertain and report as to whether such regiments turned out for special drill, or were the Commissioners authorized to deal with the claims of individual veterans and either allow or reject such claims?
2. Were the claims of the individual veterans in Nova Scotia ever submitted to the said Commissioners for their approval or disapproval.
3. Were the claims of the individual veterans in Nova Scotia or in any county of Nova Scotia, submitted to the legal adviser of said Commissioner, Mr. Rowlings, for his approval or disapproval?
4. Whose duty is it in the first instance to investigate and decide as to whether a veteran's claim is valid or invalid?
5. Did the department authorize any agent or agents in Nova Scotia to charge veterans a fee for services in putting in claims?

Mr. SAM. HUGHES:

1. Under the Order in Council of the 6th August, 1913, the Board of Inquiry was authorized to investigate and report upon the claims of the various applicants.
2. Yes.

[M. Hazen.]

3. Mr. G. A. R. Rowlings had no say in the approval or disapproval of any claim, but was consulted by the board as to the legality of any claim upon which advice was required.
4. The officials engaged in carrying out the terms of the Fenian Raid Volunteer Bounty Act of 1st April, 1912.
5. No.

GOVERNMENT PROPERTY IN MONTREAL.

*Mr. LEMIEUX:

1. Has the Government disposed of the property purchased a few years ago near Bonaventure station, St. James street, Montreal, for postal purposes?
2. What is the superficial area of said property?
3. What was the purchase price?

Mr. ROGERS:

1. No.
2. 15·732 feet.
3. Taken in exchange, in 1907, for property on Cathedral street.

DISMISSALS.

Mr. EMMERSON:

1. Have the services of Robert Amos, as an employee in the Intercolonial freight department at Sackville, N.B., been dispensed with? If so, when and for what cause?
2. Who has been appointed to fill the vacancy, from what place does his successor hail, and what is his age and the compensation paid him?
3. On whose recommendation was the appointment of the present incumbent made?

Mr. REID:

1. Yes. April 2, 1914, services not satisfactory.
2. Fred. Doucett, Point Duchene, 29 years and 5 months; $62.50 per month.
3. Already in the service and transferred.

CONSTRUCTION OF ICE-BREAKER.

Mr. MACDONALD moved:

For a copy of all letters, tenders, telegrams, plans, specifications and other documents in regard to the construction of the new ice-breaker by Vickers-Maxim Company of Montreal.

Mr. HAZEN: I presume my hon. friend means the Canadian Vickers Company.

Mr. MACDONALD: The information I desire is as to the contract made for the construction of an ice-breaker. I would like to have the motion amended to conform with the suggestion of the hon. Minister of Marine and Fisheries.

Motion, as amended, agreed to.

UNOPPOSED AND UNDISCUSSED MOTIONS

Mr. Turriff.—For a copy of all letters, telegrams, etc., in the Department of the Interior in connection with the N.W. ¼ section 20-4, range 16, west of 2nd meridian.

Mr. Turriff.—For a copy of all papers, letters, telegrams, etc., in the possession of the Department of the Interior in connection with the N. ½ 1-3 16, W. 2nd M.

Mr. A. K. Maclean.—For a copy of all correspondence, pay-rolls, accounts, receipts, vouchers and papers relating to the construction of Western Shore wharf, Lunenburg county, N.S.

Mr. A. K. Maclean.—For a copy of all evidence, letters, correspondence, reports and documents in reference to the dismissal of Mr. Andrew Flinn from the Railway Service Department, Halifax, N.S., on or about September, 1913.

Mr. A. K. Maclean.—For a copy of all correspondence, pay-rolls, accounts, receipts, vouchers and papers relating to the construction of Feltzen South wharf, Lunenburg county, N.S.

Mr. A. K. Maclean.—For a copy of all correspondence, pay-rolls, accounts, receipts, vouchers and papers relating to the construction of Kraut Point wharf, Lunenburg county, N.S.

Mr. Marcil.—For a copy of all documents bearing upon the application made to the Department of Marine and Fisheries for the dismissal of Ulric Dion, lightkeeper at St. Charles de Caplan, Quebec, and the appointment of Omer Arsenault in his place, and on the action taken by the department in that connection.

Mr. Macdonald.—For a copy of all letters, telegrams, reports, correspondence and documents relative to the claims made for damages from a fire in the village of Hopewell, county of Pictou, which was occasioned by sparks from a locomotive on the Intercolonial railway.

Mr. Lanctôt.—For a copy of all papers, letters, tenders, telegrams, plans, specifications, Orders in Council and other documents relating to the construction of the retaining wall at the high lands at St. Lambert.

Mr. Marcil.—For a copy of all documents relating to the dismissal of W. N. Campbell, lightkeeper of New Richmond, Quebec, and to the appointment of James W. Robertson as his successor.

TRUST COMPANIES.

On motion of Hon. W. T. White, Bill No. 70, respecting Trust Companies, was read the third time and passed.

LOAN COMPANIES.

On motion of Hon. W. T. White, Bill No. 83, respecting Loan Companies, was read the third time and passed.

SUPPLY.

The House in Committee of Supply, Mr. Blondin in the Chair.

Canals—Construction Welland ship canal, $4,000,000.

Mr. KYTE: May I be permitted on this item to draw the attention of the minister to the St. Peter's canal in Richmond county, Nova Scotia. For the last two years the department has had under construction very considerable improvements at the St. Peter's canal, and for some reason, which is attributed to a necessary change to be made in the location of the lock, that work has been suspended for some time. From information I have received from various sources, I understand that this change involves a considerable increase in the original contemplated outlay. It is very important that as little delay as possible should take place in the carrying on of this work. It is an important waterway which opens up the Bras D'Or lake for navigation to coasting vessels. For the past two years work has been carried on, and a great many labouring men have obtained employment there. I ask the minister to take the earliest steps possible to make arrangements, either with the present contractor or by calling for new tenders, if that be necessary, so that the work may be continued. I understand that the present plan of the department necessitates the closing of the canal for a season, and if that be so it is of the utmost importance that notice be given immediately to all parties interested in the navigation of the Bras d'Or lake. It is also desirable that the canal should be

5 p.m. closed as early as possible, so that one season only shall be lost. Would the minister make a statement to the committee as to the present position of the work on the St. Peter's canal?

Mr. J. D. REID (Acting Minister of Railways and Canals): The memorandum I have before me, with reference to the work on the St. Peter's canal, states: That this work is under contract to a Mr. W. H. Weller; that owing to the extremely hard nature of the material to be excavated, necessitating drilling and blasting before it can be removed, coupled with the very bad weather encountered last season, this work is very much behind, and instead of being completed on November 30, 1913, as called for, it will, from present indications, not be completed until some time in 1915. The matter has been before me several times. The representative of the contractor has been urging that some new arrangement shall be made, for the reason that the material they found, as they proceeded with the work, is very much harder, and is different from that set out in the specifica-

tions. Mr. Bowden, the chief engineer, feels that it would be better for us to get a new site for the lock. If this were done, St. Peter's canal would be closed all this season. Mr. Bowden tells me that if we allow the present contractors to take a new site and proceed with the work at the present prices, it can be gone on with at once. He tells me further, that it will cost probably $100,000 more to build this new lock, and I have hesitated up to the present. I must, however, take the matter up within the next few days, as I am exceedingly anxious to have the work commence immediately. I was unable to decide upon the matter before, as I have been very busy recently. I think I will feel justified in recommending to Council that the suggestion of Mr. Bowden to erect a new lock and close the canal during its construction might be considered. I was very much afraid, however, that if we did that we would be censured for closing the canal for the whole season. As I understand from the remarks just made by the hon. member (Mr. Kyte), if the work is proceeded with now and the canal closed for the season, he thinks that would be the least objectionable course to the people interested. I am giving the matter my serious consideration. I discussed it with the chief engineer to-day, and I hope to arrive at some conclusion within a few days. I will be able to give the hon. member more definite information before my Estimates are finally passed.

Mr. KYTE: I am quite familiar with the change that seems to be necessary, owing to what has developed, as the work progressed. It was originally intended to construct the lock in the new portion of the canal. That was found to be impossible owing to the failure to locate rock bottom at the place where the new lock was to be located, and it necessitated the placing of the new lock in an oblique position across the present canal. That rendered it necessary to close the canal for a longer period than was originally intended. As there is no way of avoiding that difficulty, however, and inasmuch as it will be necessary to close the canal to traffic, I think the best judgment would be that the earlier it is closed the earlier it will be reopened for traffic.

Another point I wish to impress upon the minister is that for the past two years a considerable amount of employment has been given to the labouring people in that part of the country. Employment is not as readily obtainable at the present time in that portion of Nova Scotia as it formerly was, and a great many people will be very much disappointed if the work is delayed for any considerable time. A number of these people had theretofore pursued the calling of fishermen; but, owing to the guarantees they had of continued work for a few years they gave up their other occupation, and they now find themselves without any employment whatever. For that reason, in addition to those I have already given, I think it is of the greatest importance that the work be continued so that employment may be given to those men who are dependent upon that work for their livelihood during the course of time the work will be in progress.

Mr. J. D. REID: I realize that it is very important to these men and also to the contractor that they be not kept waiting for the decision any longer than is possible. I will therefore give this matter almost immediate attention and come to some decision as to what will be done.

Mr. McKENZIE: I am also particularly interested in the navigation of the St. Peter's canal. The county which I have the honour to represent has several industries, the transportation from which depends upon the capacity of that canal. It has been already pointed out by the hon. member for Richmond (Mr. Kyte) that practically the capacity of navigation of the Bras d'Or lakes depends upon the capacity of the St. Peter's canal. There are two other outlets to the sea from the Bras d'Or lakes, but ships going to the sea find it safer and shorter to go through the canal. The other day I had a letter from the president of the Victoria Gypsum Company, a concern doing considerable business on these lakes, making inquiries about the improvements to the canal. At present they are unable to go through the canal; but after the improvements are made, they hope to be able to use it. It would be a great pity if it were necessary to close the navigation of the canal for the whole summer. I do not know much about canal work, but I think much of the work could be done in the winter time, as the frost in that part of the country is not so severe that cement and excavation work cannot be done just as well in winter as in summer. Pumping and such other work as is necessary can also be done in the winter time. I think that the work should be advanced as far as possible in

all its stages before the closing of the canal takes place. There is such a thing as contractors not being sufficiently advanced with their work before they take that step. For instance, the minister will find parties commencing the building of a wharf before they have all their material ready, and in that way dragging along with the work very much longer than necessary. Very slow progress is being made in the work on this canal, and I am afraid that the contractors are not doing all that should be done in order to push forward with vigour this important work; in fact, I understand that nothing at all has been done during the whole of this winter. In our part of the country the winter is the very best time for cutting a canal, for the removal of clay and so on. I hope that the work will be pushed forward as rapidly as possible; and that the minister will take care to make the term of the closing of the canal as short as possible, as it will interfere with a great many industries there and with the route of a number of steamers that go to Newfoundland, such as the Seal, a very large steamer, the steamer that carries the French mail from Halifax to St. Pierre, and a number of other boats of a similar kind.

Mr. GERMAN: I would like to know from the acting minister if a decision has yet been reached as to whether or not the canal and the Welland river at the town of Welland are to be put on the same level, with a dam at the village of Port Robinson, the river from the town of Welland to the village of Port Robinson being used as a canal. The contracts are being let, and, if the work is to be completed in the time estimated by the chief engineer of the canal and by the chief engineer of the department, I think a decision should be reached forthwith as to that matter.

Mr. REID: That question has not come before me at all so far, and this is the first I have heard of any difference of opinion in regard to the matter. If the hon. member will let it stand for a few moments, I have sent for information and shall be glad to take it up again.

Mr. GERMAN: I shall be very glad to do so. I supposed that the acting Minister of Railways knew something about the affairs of his department. The present canal is carried over the Welland river by an aqueduct. The proposition of the engineer in charge of the Welland canal is to put a dam in the Welland river four miles below Welland, to raise the level of the river by five feet and to lower the level of the canal by four feet, so as to put them on the same level, thus flooding a large area of land west of the town of Welland and to some extent east of the town. It is a matter that has reached such proportions that it should be attended to immediately.

Mr. LEMIEUX: I am not opposed to the Welland canal; far from it. We are for the Welland canal, but we are also for the Georgian Bay canal. Whilst I do not wish to launch into another debate on the Georgian Bay canal, as the matter was brought up not very long ago before the ministers who received the huge delegation from Montreal and from northern Ontario on that subject, yet I regret that the Government has not thought proper, after the very complete investigation which took place some years ago when the late Administration was in office, to undertake the construction of the canal. It is well known, and nobody doubts it, that the answer given the other day by the hon. Minister of Public Works (Mr. Rogers) means that the Georgian Bay project is shelved for many, many years to come. I am inclined to believe—in fact, I know—that at least one of the three commissioners appointed on that new commission is himself deadly opposed to the construction of the Georgian Bay canal. That is a secret which is now public amongst the businessmen of Montreal.

Mr. PELLETIER: What does the hon. gentleman say?

Mr. LEMIEUX: I will give the name to my hon. friend if he wants it. I regret that the ministers who represent the district of Montreal are not in their places. I include the Minister of Justice (Mr. Doherty) amongst the three. The people of Montreal, the Board of Trade, the Chambre de Commerce and the Civic Federation have declared on many occasions that the construction of the Georgian Bay canal would be the logical completion of our transportation system. They had hoped that the present Government would favour the construction of the Georgian Bay canal. But it is evident, from what I have heard of late, that the present Government is opposed to its construction, and will stand only by the construction of the Welland canal. I am told that the opposition to the Georgian Bay canal which suddenly came the other day from

the Quebec Board of Trade was engineered so as to show to the public that there was a division of opinion in the province of Quebec as regards that great undertaking. But the minister may be assured that public opinion is unanimous on that question in our province. Now, I would like to get a frank statement from the hon. gentleman: Does the Government intend, yes or no, to proceed with the work? Or is it intended to deepen the section of the French river in order to give North Bay the whole benefit of the work and leave the other sections unconstructed? To hand over to a new commission the question of the commercial advantages of the project is, to say the least, simply farcical. A commission sat years ago in the Senate and the best experts in the country were heard, amongst them being no less a personage than Sir William Van Horne himself. Much as we may differ with the opinions of Sir William Van Horne in politics, especially on reciprocity, yet everybody will admit that on transportation matters he is a great authority indeed. Well, he gave his evidence, and my hon. friend can read it in the report which was published. He will see that the ex-president of the Canadian Pacific railway is not only a friend, but an advocate, an ardent advocate of the construction of the Georgian Bay canal. Now, why fool the people of Northern Ontario and of the province of Quebec with another commission? Has Mr. Gohier, who was appointed by the Government as one of the commissioners, agreed to sit on that new board? The hon. gentleman can probably give us the information. Before I take my seat, I say again, it is simply fooling the people to pretend favouring the construction of the canal, and at the same time to appoint a new commission, when two commissions have already been appointed, and possibly fifty expensive reports have been published dealing with the subject on its merits and giving all possible data to the Government. I would like to get a straight answer from the hon. gentleman.

Mr. PELLETIER: The hon. member for Rouville (Mr. Lemieux) gets up at a moment when the ministers from the district of Montreal happen to be away—

Mr. MACDONALD: They are never here.

Mr. PELLETIER: They are here most of the time and oftener than the member for Rouville.

[Mr. Lemieux.]

Mr. MACDONALD: The Minister of Justice (Mr. Doherty) is never here.

Mr. PELLETIER: He is always here as a matter of fact. But some members of the Government have other public affairs to attend to, and I think it most unfortunate that the suggestion should be thrown across the floor that the members of the Government from one district are away, and that at a moment when we are discussing the Railways and Canals Estimates. The Georgian Bay canal, which does not relate to this department, should not be brought up now. It is under the Public Works Department.

Mr. LEMIEUX: Is it not germane to what is before the committee?

Mr. PELLETIER: It may or may not be. But the hon. member, in order to gain an advantage as against the members of the Cabinet from the Montreal district, rises to discuss the Georgian Bay canal when the Railway Estimates are under discussion, which is not the proper moment for the consideration of this mattter. It may have something to do with it, but it is not the time when the subject of the Georgian Bay canal is supposed to be taken up. As I say, it is when the Public Works Estimates are under discussion would be the opportune time for the consideration of this matter. But the hon. member, seeing that the members of the Cabinet from the Montreal district are away, and the Minister of Public Works (Mr. Rogers) is away—because we are not considering his Estimates—takes this as the time to ask for a proper and complete answer from the Government on this Georgian Bay canal proposition. That is, he puts his question at a moment when he knows that the minister who can answer him is not here. My hon. friend has said that the Quebec Board of Trade resolution was 'engineered,' to use his own expression. He has only repeated what was said in the newspapers on this subject. But I wish to take this opportunity of telling the hon. gentleman that the members of the council of the Quebec Board of Trade are honourable men, and they have answered this allegation that the resolution which they passed was 'engineered' or inspired. Everybody will understand what the statement of the hon. gentleman means; no names are given. The members of the council of the Board of Trade of Quebec, have over the signature of their president or secretary—president, I think—declared in the most emphatic manner that nothing of the kind

was suggested to them, that nobody approached them and that in this matter they had expressed their own opinion. As a matter of fact, I wish to declare here from my seat in the House that I have not had an interview with any member of the council of the Quebec Board of Trade about this, and, moreover, that what they have expressed does not represent my own views. That is going as far as a man can go, and I hope will once and for all put a stop to the suggestion that the Quebec Board of Trade is being used against this proposition.

Mr. MACDONALD: What are your views?

Mr. PELLETIER: My views are that we were face to face with this proposition, which is a very big one, and that we had to inquire into its commercial feasibility. Consequently we have appointed a commission to make a report upon it.

Sir WILFRID LAURIER: That is to say you have no views at all.

Mr. GRAHAM: Your views are not established yet.

Mr. PELLETIER: If I had views about the question as it stands at present, and if the Government had decided about it, surely there would be no need of a commission. The commission has been appointed in order to have further light on the commercial feasibility of the project. The hon. member for Rouville says that we are fooling the people and that one of the commissioners has his mind made up on this project. If that is so, it would be my hon. friend's duty to enlighten the public. He has said he would let me know personally, but then I would not be at liberty to make use of the information.

Mr. LEMIEUX: As Montreal is not represented on the commission, I shall let my hon. friend know.

Mr. PELLETIER: I shall invite my hon. friend to give the information not in a private manner, but openly in the House, so that the public will know about it. I think that would be the best course to adopt under the circumstances.

Mr. MACDONALD: Is this commission one of those of which the hon. Minister of Trade and Commerce spoke of as consuming good ink and paper but doing nothing for the country, or is it some other kind of a commission?

Mr. PELLETIER: It may be that in late years commissions of that kind have been appointed, but this is not that kind. The commission has to its credit and for its merit the fact that its members are going to work for the public and to make this report without being paid for it. They are working in the public interest.

Sir WILFRID LAURIER: Then the others were not?

Mr. PELLETIER: I agree that many of the commissions appointed by my right hon. friend were not, and they were paid money out of the public treasury for doing nothing. Here we have the very reverse: we have a serious commission which is going to do some good work and which is not going to cost the country much. We have appointed this commission, and the fact that the hon. member for Rouville (Mr. Lemieux) says we are trying to fool the people will not cause us to recall the commission. We have acted seriously in appointing the commission; we intend that it shall do its work, and we will wait for its report. My hon. friend is much more in a hurry about the Georgian Bay canal now than when he was on this side of the House.

Mr. MACDONALD: That is the old story.

Mr. PELLETIER: A very old story, and it is true.

Mr. MACDONALD: My hon. friend was not in the last Parliament, but we have had three sessions under a new Government. That Government have never done a single thing themselves in reference to anything under heaven about which they did not say when asked any question: You did not do something ten years ago. Can you not get some new argument?

Mr. PELLETIER: I am sorry if I have said anything that will hurt the feelings of my hon. friend from Pictou, with whom I am such good friends, but after all how can we dispose of these questions? The members of the late Government had this question before them for years, and they did not decide anything about it; and now, when we have appointed a commission to inquire into the commercial feasibility of the project, they are in such a hurry that the commission does not count for anything; they want us to come to a decision before we have the report of that commission. If we did that we would be stultifying ourselves; and, in spite of my earnest wish to be agreeable to the hon. member for Rouville, I will tell him that

no decision will be arrived at on the Georgian Bay canal scheme before the commission has reported on it.

Mr. DEVLIN: I am very glad that the hon. member for Rouville has brought this question before the House. I know that the Georgian Bay canal comes up under the Estimates of the Minister of Public Works, but the whole scheme of the Georgian Bay canal has always been associated with the Welland canal, and it is very seldom that the Welland canal has been under discussion without a word being said about the Georgian Bay canal. I listened with interest to the remarks of the Postmaster General. His views are not exactly the views of the Minister of Public Works, as I understood that minister to speak to the delegation the other day. He did not say to wait until the commission would report before the Government would commit itself. He told the delegation that they would have to wait until the Prime Minister's return when he would lay their request before him. We know that the Prime Minister is back from Virginia, and without doubt the minister has placed the delegation's request before him. The Prime Minister is within the building now, and perhaps could be brought into the House to tell us whether the Georgian Bay canal is going to be built or not. The Postmaster General said this afternoon that as the ministers of the Montreal district were absent the Georgian Bay canal could not possibly be built. There is absolutely no doubt that is what he said.

Mr. PELLETIER: I am sorry my English is so bad.

Mr. DEVLIN: The member for Rouville (Mr. Lemieux) asked that the Government give a serious answer to the question as to whether or not they intended to construct the Georgian Bay canal, and the Postmaster General said that it was unfair for the member for Rouville to bring this question up this afternoon and expect an answer to be given by the Government. Then, remembering that the Minister of Public Works had said, 'Wait till the Prime Minister returns from Virginia' the Postmaster General said: 'This is not fair. The Government cannot give an answer because the ministers for the district of Montreal are not here.'

Mr. PELLETIER: My hon. friend has no right to put words into my mouth which I did not use. Perhaps my English is so bad that—

Mr. DEVLIN: It is very good.

Mr. PELLETIER: I said it was not fair of the hon. member for Rouville to bring this question up when the ministers were away. I said that the Georgian Bay canal concerned the Department of the Minister of Public works, and that the question could not be discussed in his absence. That is far from meaning what the hon. member for Wright (Mr. Devlin) said.

Mr. DEVLIN: Whether the Minister of Public Works is in his seat or not, the building of the Georgian Bay canal is a national question, not a political one, and it is a question upon which the Government ought to be prepared at all times to give their views. The late Government never hesitated to do so. My right hon. friend the leader of the Opposition, when Prime Minister, said time and again from his seat in this House that the Georgian Bay canal would be built. Practically every one of his ministers similarly committed themselves from their seats in this House in answer to questions put to them by members on both sides of the House. The hon. member for Rouville explained this afternoon that the delegation that came here a few days ago was not satisfied with the answer given by the Minister of Public Works, and he asked the Government to give a direct answer to the questions: Is it the intention of the Government to go on with the building of the Georgian Bay canal, or is it their intention not to build the Georgian Bay canal? I have had a seat in this House for nearly ten years and I know what has been done by the late Government in connection with the Georgian Bay canal, and I know, unfortunately, what has not been done by the present Government. The late Government had a most extensive report prepared by the engineers of the Public Works Department. Any one who reads that report will find it most comprehensive; it not only settled the engineering feasibility of the canal, but gave enough information to determine on its commercial feasibility also. We also have the report of the special committee appointed by the Senate a few years ago, which contains testimony from some of the leading business men and railway men of this country who all state that the canal is commercially feasible. With this testimony before the House, surely the

Government ought to be in a position to render a verdict. They ought to be in a position to say whether or not the canal ought to be built, and whether or not it is going to be built. Therefore, I simply rise to second the remarks of my hon. friend from Rouville and to ask the Government for a direct answer as to whether or not they are going to build the canal.

Mr. PELLETIER: If, instead of the very eloquent words which fell from the lips of the hon. member for Rouville and of the hon. member for Wright, those gentlemen would draft a resolution on this question and bring it before the House the results might please them better.

Mr. DEVLIN: Resolutions have been drafted time and again and brought before the House. Last session I, myself, drafted one and presented it to the House, following out exactly the words of the present Prime Minister. The right hon. Prime Minister speaking on the question of trade said:

> Our object is to get Canadian trade in Canadian channels, and to continue as much as we can the policy of making that trade run east and west.

Anybody who knows anything about the canal system of Canada, knows that by the deepening of the Welland Canal trade would run north and south instead of east and west.

Mr. ARTHURS (Parry Sound): The hon. member for Rouville (Mr. Lemieux) said: 'Why fool the people all the time'. Then he went on to say that 50 reports have already been made on the Georgian Bay canal project. I might say that every one of those reports was in possession of the late Government for many years. I just wish to point out a few of the absurdities in the speech of the hon. member for Rouville. For instance, he mentions Sir William Van Horne, the president of the Canadian Pacific railway, who said that this canal was commercially feasible. Sir William Van Horne's opinion is embodied in a report made to the late Government in 1907—a report very exhaustive, as the hon. member for Wright has justly said, and which covers the engineering end of the canal very fully. The late Government had all this material at hand from 1906 to 1911, but they did absolutely nothing. The member for Wright has said that the late Government was absolutely in favour of building this canal. I have been in this House for the last four or five years, but I never heard the late Government make any such statement. I have heard, however, the right hon. leader of the Opposition make the statement both in this House and at North Bay that he, personally, was in favour of the Georgian Bay canal; but during the time I have had the honour of being a member of this House, I never heard the Government commit themselves as a Government to that project. The late Hon. Mr. Tarte was very strongly in favour of building this canal, and I have also heard the ex-Mininster of Railways and Canals (Mr. Graham) state on several occasions that he was in favour of this project. I heard him make that statement at a by election at South Renfrew where, I think, it was one of the leading planks in his platform. I think the Government is perfectly justified in appointing this commission, although I am one of those members of this House who are first, last and all the time in favour of the completion of this work. We have had cases in point to justify the appointment of this commission—for instance, the building of the Grand Trunk Pacific railway, a work entailing the expenditure of many millions of dollars. I do not want to state the figures as hon. gentlemen opposite might dispute them, but at any rate the figures contemplated in 1904 are not the figures given to the public to-day. This was the direct result of the fact that the Government entered into this work without knowing what they were stepping into, and I think the present Government were justified in appointing this commission. I believe personally that the commission will report in favour of the building of the canal, and I think that my hon. friend the Minister of Public Works (Mr. Rogers), who is not present to-day, was amply justified in saying that there was nothing to hinder this commission, if their report should be delayed for any reason, going on and reporting upon either or both ends of the canal; that is, they might build the canal from Montreal to Ottawa or Pembroke and the other end of it at the French river. It must appeal to any ordinary man who has gone over the ground as being a feasible project. I think the hon. member for Rouville (Mr. Lemieux) was ill-advised when he made the statement that this Government had done nothing to forward this canal, or to infer that the late Government with all these fifty reports, as he said, on their hands, had done anything more during their sixteen years of office than this Government had done during the last one or two.

Mr. GRAHAM: My hon. friend the Postmaster General (Mr. Pelletier) seemed to

get a little bit annoyed because the Georgian Bay canal was mentioned. You cannot disassociate the two schemes in the minds of some people. There is a class of people who favour one and think that in favouring the one they must look with disfavour upon the other. I do not belong to that class, but still, in discussing the Georgian Bay canal, it is perfectly proper to discuss the Welland canal in connection with it, or vice versa. Although the hon. Minister of Public Works (Mr. Rogers) is not in his seat and this Georgian Bay canal is in his department, the Government could not but expect that when they asked this House to discuss an appropriation for the Welland canal, the Georgian Bay canal scheme would be discussed at the same time. If the Government is not prepared to give us any information on the Georgian Bay canal that is not our fault. We must exercise our right and discuss it along with the Welland canal. My hon. friend who just sat down (Mr. Arthurs), intimated that the late Government had never been committed to the Georgian Bay canal scheme. Being a member of that Government, I think I am in a position to say that the hon. gentleman is in error in that statement. If the Prime Minister himself be committed to the scheme, and publicly says so, if the Minister of Railways and Canals be committed to the scheme, part of which is in his department, and if the Minister of Public Works also is committed to it, that pretty nearly commits the Government, I should imagine. If the Postmaster General, for instance, were to arise in this House and say: I am in favour of some improvement in the postal department and outlined the scheme—

Mr. ARTHURS: That is a different thing.

Mr. GRAHAM: No, not in principle; the one is on dry land and the other is on water—that is the only difference—if he were to outline a scheme and say that he was in favour of it, and the Prime Minister were to state that he was in favour of it, I imagine that the country would say that they were committed to the scheme.

There was a reason why the late Government did not feel at liberty when it was in power to proceed at once with the construction of the Georgian Bay canal. It began with the preliminaries and spent hundreds of thousands of dollars in getting a full and complete report as to the feasibility of the scheme from the engineering standpoint. Appended to that report was also a report from Sir William Van Horne as to the commercial feasibility of it. The late Government took these preliminary steps. Now, you ask: Why did not the preceding Government, after they had done so much, proceed with this work? The reason was given by my hon. friend himself. The Government had committed the country to the expenditure of many millions of dollars for the National Transcontinental railway and that money was being expended. The then Prime Minister, on many occasions, gave his reason, and so did the Minister of Finance, why the work would not be proceeded with at once, although it would eventually be undertaken, and that reason was that until the Transcontinental railway was practically completed they did not feel it to be wise to embark upon this other great project involving the expenditure of many millions more. The country was assured time and time again that so soon as the National Transcontinental railway neared completion the other scheme would be proceeded with. The country fully understood the position of the former Government as to each of these two projects, I stand now just where I stood then.

Mr. ARTHURS: Is the hon. gentleman speaking for the Opposition as an opposition?

Mr. GRAHAM: If the Postmaster General could not speak for the Government, he being a member of it, I cannot be expected to speak for the entire Opposition, being a private member only. I am speaking for myself, I am pointing out the position I took as a member of the former Government and I say that that Government was committed to that position through the Prime Minister. These two great projects, the Welland canal and the Georgian Bay canal do not conflict. I have always been in favour of the construction of the Welland canal. I see that I was criticised by the senior Conservative organ of Ottawa because I did not object to the expenditure on the Welland canal. How a conclusion of that kind could be arrived at by any process of reasoning, having reference to the speeches I had made in the country, I cannot conceive. I have always favoured the immediate construction of the Welland canal and the first appropriation of money for it was voted in this House at my request. The surveying and preliminary work must be done before the practical work of excavation and construction can be proceeded with in connection with all of these projects. I never was of the opin-

ion that the enlarging of the Welland canal, or the building of a new Welland canal, would tend to send our traffic to the United States as has been suggested. I do not believe that. I have as a private member of this House, discussed this great question of the traffic between the East and the West between the Great Lakes and the city of Montreal and Europe. We have undoubtedly a good deal to contend against. In the first place, we have to fight the companies which make New York, Boston and Portland their ports on account of our insurance rates in the St. Lawrence. I am of the opinion that the insurance companies are too severe on our Canadian route and that we ought to have better rates. I think the Government ought to wake up and establish, or have established, some new system of insurance by which these Canadian ports would not be treated as they have been treated by these companies in insurance matters. A great many millions of dollars have been expended on the St. Lawrence route from Montreal to Quebec and my belief is that that route is a good deal safer route than the insurance companies would have us believe. Millions more would have to be expended upon it.

Then we have our St. Lawrence canals. In discussing the question of freight rates from the Great Lakes east to Montreal one or two of the leading authorities upon this question have placed their views before me on different occasions and they have contended that the freight rates at present existing could be materially decreased by the enlargement of the Welland canal, or the building of a new Welland canal, deepening the channel in some places down as far as Kingston, Brockville and Prescott, and by having, as at present, canals only fourteen feet in depth from there to Montreal. They argue, from their standpoint as transportation men, that the grain can be taken from any of these three ports at the end of lake navigation down to Montreal and be there reloaded more cheaply than it could be carried by the deepening of the canals and attempting to bring larger vessels up through them.

I am giving these views for what they are worth; I am not practical in this respect, but these men have practical experience, and they figured out the different rates from the different points. I put this question to them time and again: Will it tend to divert our traffic to the American ports, after the grain comes down through the Welland canal? and these men were unanimously of the opinion that such would not be the case, and that the rates which would be available by this Canadian route could not possibly be met by any project that the United States could undertake, for the carrying of traffic from the Lake ports, or the St. Lawrence, to New York, Boston or Portland. We hear a great deal about the Erie canal in the state of New York, and they are spending $100,000,000 for the deepening of that canal, but when deepened to its utmost it will not have any greater draught than have our St. Lawrence canals at the present time.

Mr. J. D. REID: It will be 12 feet, while our canals are 14 feet.

Mr. GRAHAM: Yes. One of the engineers informed me that they hoped to get 14 feet on the Erie, but so far as I have been able to see from their plans they only provide for 12 feet. They never can carry the grain a longer haul through a 12-foot canal, cheaper than we can carry it by a 14-foot canal from Prescott down; and, when they come to carry it by rail, it will be still more costly. Of course, the harbour of Montreal has got to be more thoroughly equipped for the accommodation of this traffic than it is at present. Great improvement has been made, but the carriers complain that even now they cannot get rid of their cargoes with sufficient speed so as to make good time in getting back for other cargoes. There must be extension of the facilities at the port of Montreal. Money must be expended in making the St. Lawrence channel, east of Montreal, more safe than it is at present. With the reduction of insurance rates which we should have on our ocean traffic, and the enlargement of the Welland canal, we will be in a position to compete all the better with the American routes for the traffic from West to East, for some years. This, of course, is only for immediate requirements. I believe, if we look at the vast amount of products which we may expect in the West, and the traffic that consequently must come from West to East and the return traffic from East to West, that in a few years, even with the Welland canal deepened and with these improvements which I have outlined carried out, we will not have sufficient water carriage for the traffic we may expect in this Dominion, and so it will be necessary to have another outlet. My own personal view is, and I think it is the view of the

late Government, that that other outlet should be the Georgian Bay canal. While we are getting ready to go on with that great project, we should not hesitate to deepen the Welland canal as rapidly as possible, improve Montreal harbour and equip it with the most modern facilities, make the channel east of Montreal as perfect as we can, get cheaper insurance rates, and then proceed with that other great scheme of transportation, which will give us the benefit of further water carriage. We need the Welland canal now, and we ought to start with the Georgian Bay canal as soon as possible.

At six o'clock, the House took recess.

The Committee resumed at eight o'clock, Mr. Blain in the Chair.

Mr. BURNHAM: Before the House rose at six o'clock, the Georgian Bay canal was discussed by the hon. ex-Minister of Railways and Canals (Mr. Graham). A more mature deliberation upon the conditions in general of transportation at even this late date will convince people that canals as through routes are like burrowing in the earth—they have long since passed their useful stage. It is a well known fact that a very easy and safe means of transportation for enormous quantities of freight is by dirigible balloons under the control of a monoplane, or, if necessary, of a hydroplane, or, if preferred, of a biplane. A thousand tons of wheat can be trailed along at a low altitude for an enormous distance at a very high rate of speed and at a very low cost. I am fully persuaded that the people who are arguing in favour of the Georgian Bay canal are animated solely by a desire for the general benefit of Canada. Therefore if we find that the people of the extreme West do not want it, that the people of the middle West do not want it, and that the people of the Maritime provinces do not want it—

Mr. CARVELL: Who said so?

Mr. BURNHAM: I am saying so. You can say the opposite afterwards.

Mr. MACDONALD: You cannot speak for the Maritime provinces.

Mr. BURNHAM: I am judging by opinions that have been expressed at different times.

Mr. MACDONALD: You are wrong.

Mr. CARVELL: Leave out the Maritime provinces.

[Mr. Graham.]

Mr. BURNHAM: I make the assertion that the people of the Maritime provinces do not want the Georgian Bay canal.

Mr. MACDONALD: Prove it.

Mr. BURNHAM: I am not called upon to prove it, and it is not susceptible of proof. The contrary, moreover, is not susceptible of proof. I am merely retailing opinions which I have heard expressed. My friends may rest assured, however, that I do not attach undue weight to them, coming as they do from the Maritime provinces.

The people of the middle West have frequently said so—so I have heard and so I have read—that so far as the Georgian Bay canal is concerned, it is of no use to them whatever. The remedy for the ills of the West is said to be free wheat, because it is to the south of us that the export of the cereals of the West should be made, they say. In that event the Georgian Bay canal will be of no use for through traffic to the West. The local traffic is not worth considering; the Georgian Bay canal would not be built merely for local traffic.

With this brief introduction, I wish to state that I know of a company forming which will undertake to transport all the food products of the West from Winnipeg to Quebec at a very much less rate than can be dreamt of by any other means, viz., the dirigible balloon, otherwise known as the airship. Hon. gentlemen, who scout and laugh at everything they hear as the Opposition are now doing, remind me of Noah, who told the people to come in out of the wet and they would not do so. I liken myself to Noah. I am perfectly serious in regard to this matter, however. I know quite well that some hon. gentlemen opposite, especially from Montreal, will scout any theory that will in any way interfere with Montreal and with their pet scheme. The Georgian Bay canal is to cost in the neighbourhood of two, three, or four hundred million dollars. For 1-200th part of the sum it will take to build that canal, which will be locked up for eight months of the year and will have a repair bill which will frighten the people of this country, we are prepared to establish a line of air transportation which will carry both ways immense cargoes at a very rapid rate. These dirigible balloons can turn aside in different direction, so that there is no necessity for disputes about high or low grades or whether we are to have permanent ways or

trestles. These balloons, moreover, have proved themselves capable of sailing against a sixty-mile gale. It is a strange thing that these so-called peaceful men of the Opposition are willing to hand over these modern means of transportation to the devotees of war. It does not concern them that 'peace hath her victories no less renowned than war.' It does not seem to concern them that they might apply these dirigibles to the purpose of transportation for the relief of the farmer in whom they pretend to take so much interest.

There has been discovered lately a gas with one-tenth of the density of hydrogen, which has been the gas used for expanding balloons in the past. This gas can be produced very cheaply, and consequently the expense incident to a line of transportation such as I have outlined is very small. The envelope for the dirigible balloon need not be of fine silk, as it used to be, but can be constructed of cheaper material; and I venture to say that in twenty-five years from now every enterprising man will have an airship or a monoplane of his own. The land is obstructed in every way, and the sea, which is the next best thing, is obstructed by rocks, icebergs, and so on. The air is really the only element that is not obstructed; and it has been finally settled between those who contend for the heavier than air machine and those who contend for the lighter than air machine that both serve their purpose, the lighter than air being for freight and the heavier for speed and direction.

With both combined, the purposes of both are well served. You can easily imagine, Mr. Chairman, one of those great dirigible balloons—they may even be constructed 1,000 feet long—settling over a modern goods train, or its equivalent, filled with grain or whatever it may be. There is linked to it the extra chemical advantage—or aerial lightness is given to it—it is got under way by a motor, and off it glides into the air moving easily from one part to another. It might go in whatever direction wished. That seems to appeal to members of the Maritime provinces, No doubt the one from Halifax would avoid St. John, and vice versa—I may get their support on that ground. However, I wish in all earnestness to bring this matter to the attention of the Government. We are desirous of having them consider the feasibility of the project which I am now outlining, and in a short time we intend to bring it to their attention in a thoroughly practical manner. As I said, it is not necessary, especially in an intelligent House like this, to discuss the feasibility of the project because everybody knows it is feasible. A few years ago people scoffed at the telephone and wireless telephony and had no idea that wireless telegraphy was possible. Telegraphy, itself, was considered impossible until the Hertzian waves were discovered, but surely in these days no man, unless he belongs to the Opposition in this House, will say that anything is an impossibility. I admit that gentlemen on the Opposition side scoff at anything that is new—they are inclined to scoff at anything also that is true, but I wish emphatically to call the attention of the Government to this matter with a thoroughly practical purpose in view; with the view of gaining the attention of advocates of such a scheme as the Georgian Bay canal, who will probably turn back from that project for the general benefit of Canada now that they see something much less expensive and much more serviceable. The beauty of this thing is that if at any time there is not sufficient traffic for it to run in one direction, we can go in another; there is no such thing as holding us up, and in that respect it is unlike the National Transcontinental railway. If that railway does not fit the occasion we are done. Our whole trade policy will have to be changed to fit the National Transcontinental railway. It reminds me of the story of Theseus of ancient Greece. That heroic gentleman, as no doubt Mr. Chairman you are aware, found that the bed provided by his host was too small for his gigantic frame. The host said, 'I will chop off your legs to make them fit the bed,' but Theseus replied, 'Oh, no, I prefer to have the bed extended.' That is just what the people are doing every day. They are making the subject of their care fit their preconceived theories instead of making their theories fit the object of their care. Of course, this is not always the case. It is not the case with the present Government, I am happy to say, and I congratulate the Government upon that.

Mr. MACDONALD: Are they all right?

Mr. BURNHAM: Yes; the reason they are so successful is that they are open to suggestions. It is understood, Mr. Chairman, that I am anxious to call the attention of the Government to this matter.

Mr. GERMAN: The minister has said that he will announce later on what effect the construction of the Welland canal will have on the level of the Welland river. I have no criticism to make. I will submit with pleasure to the decision of the

engineers, because they know what is the best thing to do. But I think a decision should be arrived at as speedily as possible, and I am inclined to think that the engineers have already had time to reach a decision.

Mr. LEMIEUX: Before the minister answers my hon. friend, I wish to emphasize for a few minutes more the importance of this question of the Georgian Bay canal. On the general question of transportation, I may say that I agree with the remarks made by my hon. friend the ex-Minister of Railways and Canals (Mr. Graham) this afternoon, namely, that the construction of the Welland canal should not be an impediment to the undertaking of the Georgian Eay canal. On this point I wish to say further that, although I do not see eye to eye on public questions with the late member for Jacques Cartier (Mr. Monk), yet I am free to confess that on the question of the Georgian Bay canal I concur with the views he has expressed on many occasions on this important question. It is to be regretted that the hon. member for Jacques Cartier is no more in this House, because in him I am quite sure our hon. friends opposite would find a doughty exponent of the views which are generally expressed in the East and in central Canada in favour of that great project. I also regret to see that the Cabinet ministers who represent more especially the interests of the district of Montreal are not here to voice the feelings of the public bodies, and public opinion generally in the East, in favour of this great undertaking. It is true that one of the ministers, the Secretary of State, introduced a large delegation the other day to the Minister of Public Works in favour of the Georgian Bay canal; but the hon. member has not yet found time to express his own opinion, and from what I can gather it is quite clear that on this question the Minister of Inland Revenue and the Secretary of State are simply ignored by their colleagues, and that the interests of Montreal are being sacrificed once more. This project affects considerably the whole question of transportation, and the whole question of wheat production in western Canada. The Government of Saskatchewan has appointed a Grain Markets Commission, which, as I said the other day, has issued a most interesting report on that question. The question of the transportation and marketing of grain is discussed in this report most intelligently. With your permission I would quote a few words about water carriage in Europe and the part it plays in the cheap transportation of grain:

> The commission was impressed with the extent to which natural and artificial waterways are used in the transportation of grain and grain products in the United Kingdom and on the continent. The great bulk of the grain imported is never placed on the rails. The port which has behind it a navigable stream or a system of canals or both has a tremendous advantage over its competitors that are dependent chiefly upon rail transportation for the carriage of imports of this class inland. On the continent, such ports as Antwerp, Rotterdam, Amsterdam and Hamburg are each at the confluence of extensive systems of internal waterways that teem with craft engaged in the transportation of lower class commodities in bulk.

Another feature of the report impressed me. We have always been of the opinion that Canadian ports would suffice to carry the products of Canada to the Mother Country and to Europe generally. Some facts are established in this report which are simply appalling and should, it seems to me, awaken the Government. Let me give a few figures of the losses which are met by Canadian ports to the advantage of American ports:

> It is to be regretted that with such a magnificent waterway as the St. Lawrence in our possession, Canadian grain should be exported through any but Canadian channels. There is, however, some slight compensation in the fact that a considerable quantity of United States grain is exported via some Canadian ports principally Montreal. The following statement sets forth the volume of these two crossing streams:
>
> Quantity of Canadian wheat exported from United States ports in the years mentioned:

	Bushels.
1909	23,487,488
1910	27,129,471
1911	24,192,228
1912	55,507,853

> Quantity of United States wheat exported from Canadian ports in the years mentioned:

	Bushels.
1908	10,908,194
1909	12,761,605
1910	3,884,202
1911	1,623,172
1912	7,335,494

Mr. EDWARDS: The proportion of the exports by American ports to the total export would not seem to have increased except in the year 1912.

Mr. LEMIEUX: In 1912 there was nearly double the quantity shipped that way that was shipped in 1910. These figures disclose an appalling state of things. The American ports are capturing our trade, and I am sincere when I say to my

hon. friend that the time has come when the Canadian Government should fool no more with this question of the Georgian Bay canal if we want to keep within our own ports the trade of Canada. What is still more striking is that the rates through these American ports are higher than the rates through Canadian ports; and yet, with all that, we let slip such a large quantity of our trade to the American ports. The time for referring the building of the Georgian Bay canal to a commission has passed long ago; the Government should come to a decision on the question one way or the other. I listened to the interesting presentation of the case for the Georgian Bay canal by the delegation that waited on the Minister of Public Works. I was impressed especially by the speech of Mr. White, of Renfrew, a very able gentleman, a friend of the Conservative party. I was impressed with his sincerity and with his desire that this great work should come at last to a head. But unfortunately the answer given by the Minister of Public Works was so unsatisfactory that most of the delegates returned to their homes with their heads bent. They felt that once more the Government wished only to dilly-dally with the question and not to face it. The question is a most important one; it has reached the acute stage, and when we read such figures as I read a moment ago it seems to me that the Government should give another answer than the one given this afternoon by the Postmaster General.

Mr. J. D. REID: The hon. member for Welland (Mr. German) asked what decision the Government had come to as to raising the level of the Welland river to that of the Welland canal. As I understand the situation, if you raise the level of the Welland river, the water would not be drinkable by the people of those towns which depend upon it for a supply. On the other hand, they could place a dam farther down and have an aqueduct underneath. But, even if they raise the water level of the Welland river, there is a way to overcome the difficulty, and get the water necessary for the use of places like Thorold, St. Catharines and Welland, that is, to run a pipe line to the lake Erie level. Mr. Weller, the superintending engineer, and the chief engineer have that question before them. They are giving the matter most serious consideration, and it is not expected that they will give their decision to the Government for consideration until they are prepared to advertise for tenders. I said this afternoon that the question had not come before me, and this explains why. As the decision has not been reached, I cannot give the hon. gentleman information as to the plans to be followed. I hope before the session closes to be able to give the hon. gentleman the definite information which he is anxious for and which he is entitled to have. I hope I have made myself clear and that my explanation is satisfactory.

Mr. GERMAN: Instead of the hon. minister being clear, he is absolutely un-clear. As I have said, I have no criticism to make. This is a very serious problem; I quite appreciate that. But the engineers have had the matter before them for two years, and I think they should have been prepared to give a decision before now. Certainly, they should reach a decision before the end of this session, for this is a very serious proposition for St. Catharines, Thorold, Welland and other towns taking water from the river.

Mr. LEMIEUX: The acting minister asked me as to the proportion of traffic from Port Arthur and Fort William via American and Canadian ports respectively. At page 40, I find a table showing the routing of shipments of grain from Fort William and Port Arthur for 1910, 1911 and 1912. In 1910, the total shipments were 78,381,035 bushels, of which 23,173,804 bushels went by Buffalo and other United States ports. In 1911, the total was 95,182,011 bushels, of which 36,694,334 bushels went by the United States, and in 1912, of a total of 135,545,946 bushels 56,758,292 went via Buffalo and other United States ports.

Mr. J. D. REID: As to the total exports from our own ports, I have before me a statement showing the grain movements via Canada and via the United States. One column shows the exports of wheat and flour to all countries except the United States. From 1896 to 1900, the average was 15,772,000 per year on the average. From 1901 to 1905, the average was 24,124,000. From 1906 to 1909, the average was 45,301,000; and for 1910-11 it was 60,134,000. The hon. member will see from these figures that our exports from Montreal to Quebec are increasing rapidly. I believe that the reason why for a great many years there was comparatively little export of grain from Montreal and Quebec during the summer was that we had not the facilities in Montreal to handle the grain. Up to about ten years

ago there was only the floating elevator. Grain went to Montreal, probably, in barges from Kingston, or it might be that a steamer would go straight through from Fort William. But they had to wait and store their grain, or it was taken from the vessels into the ocean vessel by a floating elevator. But there was delay which meant demurrage and expense. On the other hand, they could take the grain to Buffalo and immediately unload into the elevator, and I think that for about fifteen or twenty days no storage was charged. Canal barges were there to take the grain to New York and at New York also there were complete facilities. Then the Government built an elevator at Montreal of, I think, a million bushels capacity. Soon after the Grand Trunk railway built another elevator, then the Government built still another of about three million bushels capacity and increased the capacity of the old elevator. So, that in Montreal now we have an elevator capacity of about eight or nine million bushels. The result is that vessels are not delayed in Montreal. With these facilities the shipments to Montreal are increasing very much because the freight rates from Port Arthur and Fort William to Montreal are much less than via Buffalo. At this moment, the shipments are being made to Buffalo by American boats and Canadian boats are carrying the grain from Buffalo to Montreal. American boats are not able to quote a rate via Buffalo and New York, to compare with the present rates from Fort William to Montreal via the Welland canal. Now, I agree with what has been said by some hon. members, that the Welland canal should be deepened for this if for no other reason. In about five years you would have the advantage of the deepening of the Welland canal, whereas, if the Georgian Bay canal were to be proceeded with, it would take many years before you could get the full advantage of it. But I agree that there is no good reason why the other canal should not be proceeded with also if this investigation shows that we would be justified in going ahead with it. I believe that transportation is one of the most important questions before us to-day. The deepening of the Welland canal is a work that will pay for itself in a very few years. I remember when I was on the other side of the House I took a very strong stand that in time it would be a good thing not only for navigation but also for power purposes to construct dams on the St. Lawrence between a point east of Prescott and Montreal which would make navigation between Liverpool and Port Arthur possible for almost the largest vessels that cross the ocean.

Mr. GRAHAM: That would mean the damming of the Sault to which my hon. friend is opposed.

Mr. REID: No, I do not oppose the damming of the Sault provided the Governments of both countries do the work. I claim, however, that the five dams should be under the control of the Governments of the two countries; three of them will be between Canada and the United States and two of them will be wholly in Canadian territory. If this project were carried out we would have about 2,000,000 horse-power developed between Prescott and Montreal.

Sir WILFRID LAURIER: That is pretty far in the future.

Mr. REID: I admit that. Of course, it would involve an enormous expenditure but as population increases, and if the Government keep control, it will come. I hope that the Government will never allow these resources to pass into the hands of private individuals. A contract has been let for four sections of the Welland canal.

Sir WILFRID LAURIER: How many miles long?

Mr. REID: Twenty-four miles.

Sir WILFRID LAURIER: How many locks are there?

Mr. REID: There will be seven when this work is completed and then there will be the guard locks—

Mr. GERMAN: There will be ten locks in all because there are three twin locks.

Mr. REID: I understand that, but we only pass through seven locks and then there are the guard locks. We have let four sections and another small section.

Mr. GRAHAM: Have any been sub-let?

Mr. REID: I have no idea.

Mr. GRAHAM: I imagine there have been.

Mr. REID: Not to my knowledge.

Mr. GRAHAM: Quite a number of them.

Mr. REID: Perhaps so; the hon. member may have more information than I have.

Contracts have been let representing about half of the work to be done.

Sir WILFRID LAURIER: How many millions do you want for the four contracts?

Mr. REID: If I remember rightly, the minister stated that it would cost about $50,000,000 in all. The estimate of the engineer on the four contracts was about $25,000,000, but the contractors' prices come to about $20,000,000. The engineers' estimate exceeded the contractors' prices by about $5,000,000.

Sir WILFRID LAURIER: Did you think of dividing the work amongst small contractors?

Mr. REID: We divided the 24 miles into nine sections.

Mr. GRAHAM: They were not on the level, though; they were down below.

Mr. REID: No. 1 was 2 8-10 miles; No. 2, 4 miles; No. 3, 2 miles; No. 5, 2½ miles.

Mr. GRAHAM: I suppose the minister can give us an idea now about what the estimated saving in freight rates will be owing to the enlargement of the canal? Large vessels now have to tranship at Port Colborne elevator. Suppose you can take the largest vessel as far as Prescott after the canal has been deepened to 22 feet—

Mr. REID: Twenty-five feet.

Mr. GRAHAM—what will be the saving on one bushel between Port Arthur and Montreal on the rate now charged? I have had it figured out for me on different occasions and it is considerable.

Mr. REID: I have had it figured out by grain men and they have told me that the saving would amount to at least one cent a bushel. On a cargo of 300,000 bushels coming down to Prescott it would amount to about $3,000. That is what the large shippers tell me. Some others figure it a little less—about three-quarters of a cent per bushel. On 40,000,000, or 50,000,000, or 100,000,000 bushels it would represent a large amount in one year.

Mr. GRAHAM: A good many figures were given to me by Mr. Richardson, a prominent Kingston man who is a large shipper. I would like to ask the minister his views on the assertion that has oftentimes been made that the deepening of the Welland canal would assist in diverting traffic from our Canadian ports rather than in developing it. I have never been convinced that it will be the case, and I am not convinced yet. Another point that my hon. friend referred to was the deepening of the St. Lawrence. When we are discussing the deepening of the St. Lawrence canal we are discussing a greater problem than many people imagine. I have entertained serious doubts whether the St. Lawrence canals could be deepened without a system of dams in the river. It is difficult now to maintain head enough to secure a depth of 14 feet over the mitre sill, and in order to get a greater depth to compare with 25 feet in the Welland canal it would mean a system of dams, which would practically eliminate a number of rapids on the river, if not all of them. I suppose the department has given that question some study. What does the minister think as to the comparative cheapness of carrying grain with the present Welland canal deepened and the St. Lawrence canals remaining as they are, bringing the grain down as far as Prescott, Brockville or Kingston, and transhipping it into the barges where it can be carried very cheaply? It has been argued that grain can be carried as cheaply in that way as if the larger vessels were taken through to Montreal, with the resultant delay. It has been argued that if vessels, instead of being delayed while getting rid of their cargoes, could return to the head of the lakes and come back with other cargoes, the number of trips that could be made in a season would be increased and grain would be carried as cheaply without the enlargement of the St. Lawrence canals as with it.

Mr. J. D. REID: I agree with the hon. member (Mr. Graham) that after the grain gets through the Welland canal there is no possible chance of it being diverted from Montreal to Ogdensburg or Oswego. Some years ago, when I did a little shipping, the rate, I think, between Kingston and Montreal, was one and a half cents a bushel, and between Prescott and Montreal, one and a quarter cents per bushel, by barge. Within twenty-four hours, after notice, they could have the grain from either of these ports to the vessel's side in Montreal. If the grain went from Ogdensburg it would have to go 400 miles to New York, and counting 1,000 bushels to a car, at one and a quarter cents a bushel, that would be only twelve and a half dollars for that car for 400 miles. In addition you would have to pay elevator charges, whereas, by send-

ing it to Montreal by barge, the elevator charges would be included. If that grain came to the Welland canal and was taken to Oswego, it would have to be put in small barges and travel 400 miles by the Erie canal and the Hudson river to New York. They could not possibly carry it for so low a rate as the rate from Prescott or Kingston to Montreal. Even if the present canal were deepened, you would still have to deepen the water stretches on lake St. Louis and lake St. Francis, and that would be enormously expensive. A system of dams would keep the levels up and you could have any depth of water you needed. I think the hon. member (Mr. Graham) will agree with me that if it were not for the dam stopping the boats, it would almost pay at the present time to put a dam across the Galops rapids. That, I understand, would not be a difficult engineering feat, and because of that dam holding the water back, instead of letting it run through the rapids, the large amount now expended annually for dredging the different channels would be saved.

Sir WILFRID LAURIER: I am astonished and scandalized to hear my hon. friend (Mr. Reid) advancing the idea of damming the St. Lawrence. I have heard him speak, when he was in opposition, in tones of despair at the very possibility that there might be such a scheme carried out by the then Liberal Government. For weeks and for months, day in and day out, he watched the Government for fear they would assent to the very proposition which he now favours. I was impressed by his argument in those days, and the Government would not agree to the damming of the St. Lawrence, and I hope that this Government will not agree to it either. All the reasons which he gave against damming the St. Lawrence at that time, are as true now as then; the beauty of the St. Lawrence would be marred now just as then, if a dam were erected. Moreover, there is no necessity for damming the St. Lawrence now, if the object be to keep the freight from being diverted to the New York route, because the New York route cannot compete with the St. Lawrence route. For my part, like my hon. friend (Mr. Graham), I believe we need the Georgian Bay canal, but we need the Welland canal just as much. I have the greatest hope in the Welland canal, because by it you can avail of water navigation from Port Arthur to Kingston. At present, these large boats which carry a quarter of a million bushels of grain, come to the end of the Welland canal, and have to discharge cargo, but when we have this new Welland canal, one of these big vessels will leave Port Arthur and go to Kingston, and then her cargo can be transferred to river barges, for destination at Montreal. There is cheap freight from Kingston to Montreal, and neither Buffalo nor Oswego can compete with that route. That is the justification for the Welland canal, and the sooner it is built the better.

9 p.m.

Mr. W. H. BENNETT: One would imagine from this discussion that the port of Montreal was open throughout the winter months, and that there would be a continuous procession of grain vessels from the head of the lakes to Prescott or Kingston, whence their cargoes would be forwarded to Montreal. It is wonderful to hear the guessing competitions that are ind lged in in this House, about the results of this undertaking. I want to point out that the majority of the vesselmen in Canada are frightened at the deepening of the Welland canal. The port of Montreal is invariably closed on the 20th of November, and the rush of grain from the Northwest comes after that date. I have lived in the town of Midland for thirty years, and through Midland an enormous lot of grain comes every year; so that I know whereof I speak. Hon. gentlemen no doubt know that even up to the 15th of December, when the port of Montreal has long since been closed, there is a considerable quantity of grain coming out of Port Arthur. The idea of the Canadian vesselmen is that the deepening of the Welland canal, which I suppose we are bound to go on with now, is eventually going to ruin the Canadian shipping trade, in that the immense barges of the Steel Trust, which have been in commission all summer carrying ore, will proceed to Port Arthur, get their 400,000 or 500,000 bushels of grain as a cargo, pass through the deepened Welland canal, anchor at Oswego—Montreal being closed—and by cheap handling elevators the grain will be taken out of these vessels during the winter months and shipped to New York for European destination. Freighters will not be found in the summer time lying around Montreal looking for cargoes, because the trade there is small. On one occasion I was at a place called Point Comfort, where Hampton Roads, a well known harbour on the American side, is situated. You can see any day large British freighters lying there at anchor. Any one will tell you that they are lying there waiting for tele-

grams from New York to tell them where they can pick up freight. In order to avoid the cost of tying up at the docks at New York, they are lying at Hampton Roads ready to move up to New York when a cargo is in sight. There would be a system of cheap elevators at Oswego or Ogdensburg emptying the 400,000 or 500,000 bushel freighters and loading the grain in the cars to be taken to New York.

One of the best freights for vessels on the upper lakes is the first cargoes of coal that go up in the spring of the year. After these vessels have dispensed with their cargoes of grain in the fall, they will be filled with coal and will be the first vessels to go up the lake in the spring. A year or two ago a gentleman was advertised to speak in Berlin, from which place most of this agitation has sprung in regard to the deepening of the Welland canal, although they are as much interested in the deepening of that canal as a man in Timbuctoo would be. This gentleman said that it was necessary for the welfare of Canada that the Welland canal should be deepened. His initials and his name are the same as those of the general manager of one of the biggest freighting companies in Canada. At breakfast in the hotel I had read the speech of this gentleman. I met the vessel man on the street and said, 'Are you in favour of the Welland canal?' He said, 'You are the second man that has met me on King street that has asked me that question. No, I am not the gentleman who made the speech. Do you think that I as a ship owner would be so crazy as to advocate the deepening of the Welland canal?' It is, however, going to be done. We are all in a guessing competition now, but at Oswego and Ogdensburg the matter has gone beyond the guessing stage. The people are getting prepared for the stern reality, and real estate has increased in those places from twenty-five to thirty per cent by reason of the fact that the Canadian Government is to deepen the Welland canal and thus give them access to the lakes.

Sir WILFRID LAURIER: If Montreal harbour is closed after the 20th of November, how would grain be taken from Oswego to New York after that date?

Mr. BENNETT: Lake Ontario will be open and the boats will be able to come down the lakes.

Sir WILFRID LAURIER: From Oswego?

Mr. BENNETT: By a system of cheap elevators that will handle the grain out of these huge vessels, carrying 400,000 or 500,000 bushels. It is nothing unusual to see on the upper lakes vessels capable of carrying 500,000 bushels. These elevators will put the grain into the cars which will take it to New York, which is open all the year around.

Mr. EDWARDS: Is Kingston closed any more than Oswego? Do you forget my little village?

Mr. BENNETT: Kingston is open in the winter months. The Canadian Pacific railway and the Grand Trunk railway have connections there. What will be done if any business is done there, is this—I am referring to the winter season—the cars will be loaded from elevators, should they be built, and the Grand Trunk will take these cars to Portland. As it is a longer haul from Kingston to Portland than from Oswego to New York, the latter route would naturally be preferred. A few years ago I met an engineer who was in charge of the deepening of the Erie canal. He did not know I was a Canadian, and I said to him, 'Why not deepen the Welland canal and have the big boats go through to Oswego?' He said: 'You do not appreciate the point; the Welland canal belongs to Canada and the Canadian people will never be so simple minded as to deepen that canal for the convenience of the American people. The advocacy that the Welland canal should be deepened has been too from the American side. The American Congress even expressed its willingness to pay half the cost of deepening that canal; and if a close bargain had been driven with them, they would have done it. The work, however, is now going on. It is all in the guessing stage and when it is completed we shall see the result. In the meantime it is the duty of the Government to do everything possible to improve the elevator facillities at Montreal so as to get as much grain down there as possible in the fall, and then by a system of ice-breakers to endeavour to keep the harbour of Montreal open later than the 20th or 23rd of November.

Mr. EDWARDS: I agree with the hon. member in so far as the advisability of providing the very best elevator facilities at Montreal for handling grain is concerned, but I cannot agree with his conclusions in regard to the probable movement of the grain, if the Welland canal is deepened and enlarged, as we propose doing. I cannot see why a 400,000 bushel grain freighter passing from

Port Arthur through the Welland canal down into lake Ontario should select Oswego rather than Kingston, even supposing that the port of Montreal is closed to navigation on the 20th of November. I think I am correct in saying that the lake will be open as late at Kingston as it will at Oswego, and I can see no particular reason why a freighter should put up at Oswego and unload its grain into the cars to be taken through to New York rather than put up alongside an elevator at Kingston and unload its grain to be taken in cars to St. John. I am not prepared to say just what the difference is, but I do not think there is very much difference between the distance from Kingston via Montreal to St. John and the distance from Oswego to New York.

Mr. J. D. REID: It is shorter to St. John.

Mr. EDWARDS: So far as railway freight rates are concerned, the grain could be shipped from Kingston or Prescott just as cheaply over Canadian railways to the Canadian port of St. John as over American railways to the port of New York. If that is true, then surely we would all prefer to see that grain passing from the port of Kingston or Prescott over Canadian railways to St. John, where this Government and previous Governments have spent large sums of money, than to see it passing through the United States to the port of New York. I think I can take that for granted. I could not help wondering if my hon. friend would not have the town of Midland in his eye when he was discussing the deepening of the Welland canal. I think I have heard the hon. gentleman advocate a grain railway from Midland to Montreal.

Mr. W. H. BENNETT: They have two of them now.

Mr. EDWARDS: I think the hon. gentleman was advocating another; I will not be sure. If the Welland canal is not deepened, the effect would be, I suppose, to turn the grain to Midland to be shipped by rail to Montreal. I cannot blame my hon. friend for desiring to see the grain go through his own town. That is a local patriotism of which we all should have more or less. I should like to see the Welland canal deepened and the grain brought down by vessel—

An hon. MEMBER: To help Kingston.

Mr. EDWARDS: Yes, and incidentally to help the old historic county of Frontenac.

[Mr. Edwards.]

The hon. member for Rouville (Mr. Lemieux) quoted from the Grain Markets report. I think that report speaks very favourably of the deepening of the Welland canal and carrying the grain down to the port of Kingston. I read the report carefully, and I do not recollect that any fear is expressed of the grain going to Oswego and down through the United States. I think the deepening of the Welland canal is one of the best movements which has been made; and I do not say that merely because I believe it will assist in developing Kingston, but it seems to me the reasonable and logical thing to do. Nature has provided a waterway in our splendid chain of lakes. If the grain is carried without breaking bulk from Fort William to Kingston or Prescott it can be transferred to very cheaply constructed grain barges to be taken to Montreal. I notice that is one of the things that cheapens the handling of grain in the Erie canal. The grain goes into barges which are practically boxes. They are not made to resist a heavy sea, nor is it necessary they should be so made. In the same way, when the large steamer comes to Kingston or Prescott, the grain will be unloaded into barges which will practially be floating bins which can make the trip to Montreal, though they could not stand the seas on the lakes. And as they are cheaply constructed, they will help to cheapen the freight rates. I think the movement is one in the right direction.

Mr. OLIVER: It is so seldom I have the good fortune to agree with my hon. friend from East Simcoe (Mr. Bennett) that I am glad to take the opportunity to declare such an agreement when it occurs. But even on this occasion, I am afraid, I cannot go with him all the way. I do believe, as he does, that the best and most profitable route for grain from the West is via large freighters to Midland and then by rail to Montreal.

Mr. W. H. SHARPE: How about the Hudson Bay railway ?

Mr. OLIVER: If the hon. member will have patience, we will come to that. It seems to me that the freighter of maximum capacity carrying grain to Midland, with quick loading, quick discharge and quick return, could handle more grain in a specified time than a freighter of less size making a longer trip. And, as it is important to get as much as possible of the grain out in the fall, I think this is the route that offers the best advantage. But

because that is a good route, it does not follow there should not be others. I cannot follow my hon. friend when he, if I understood him aright, protested against the improvement of the Welland canal, for the reason, as he alleges, that it will foster the transport of grain to New York. Under present conditions altogether too large a proportion of our western grain goes to New York, although the Welland canal has not been improved. I cannot think, as the hon. gentleman seems to do, that there is some deep-laid plot or conjunction of effort, as between the Government of the United States and the Government of Canada in the building of the Welland canal, against the well-being of the port of Midland. For I would remind him that, not the Government of the United States, it is true, but the government of the state of New York, is spending $200,000,000 in improving the Erie canal, the result of which expenditure would not have a bearing at all on the transport of grain via the Welland canal. That is, if the Welland canal is improved, the grain goes to Kingston or Oswego, and merely renders the Erie canal useless to that extent. Now, my hon. friend from Lisgar (Mr. Sharpe) wants to know about the Hudson Bay railway. With the production we have in the West, and with the production we ought to have in the near future, we want, and absolutely need, the advantage of all the outlets that can be secured. It was many years ago that a great transportation authority declared that what Canada needed was the enlargement of the spout—of the means of getting the grain out in the shortest time. So, while we approve of the improvement of the Welland canal, we approve also of the Hudson Bay railway, and also of means of access to the milling centres south of the line. We approve of the Transcontinental giving us a route to the Pacific, and also a winter haul to the Atlantic. I am unable to put the case just as I would like, but if we are to have the development that we hope to have, we need all these different outlets, and unless we have all these different outlets we cannot achieve that development that we hope to have. We need them all, and we need them under the most favourable circumstances.

Mr. J. D. REID: With reference to the grain going via Ogdensburg, the Welland canal will benefit trade between the East and the West during the whole season of navigation. The only time when there might be some disadvantage would be in the fall of the year, when the vessels anchor at Ogdensburg. That was the point taken by the hon. member for Simcoe. I think he is in error in saying that the grain will be unloaded there; it will be unloaded, as the hon. member for Frontenac (Mr. Edwards) has stated, at Kingston or Prescott.

Mr. OLIVER: Prescott in preference.

Mr. REID: But then it should be the duty, and no doubt will be the duty, of the Government to see that the grain is not diverted to Portland or other United States ports. The distance from Kingston or Prescott to St. John and Halifax is practically the same as to New York, and surely the Government of Canada, with two roads running to St. John and Halifax, the Intercolonial railway and the Grand Trunk Pacific, can keep the rates as low as those from an American port to New York, so we should have it in our own control. The difficulty has been that we have not had the facilities at St. John or Halifax to handle the grain during the winter months, and it has gone to Portland and New York. At Halifax there is one small elevator. Last winter a few large steamers came there, and over two million bushels of grain were handled there in the few winter months. But facilities were improved last year, and they have been able to handle more grain. I am satisfied that the amount handled at St. John has increased also. The Canadian Pacific railway are building a large elevator there, and have no doubt that all these elevators will be kept busy. It is absolutely necessary that we should, at the earliest possible moment, improve the facilities at Montreal, Quebec, St. John and Halifax, so that we may handle the products of the West and of Ontario and Quebec through Canadian ports. When we are in a position to do that the grain will go by our ports. It is not likely that large vessels will go to Oswego. They can make three trips to Midland to one to Oswego, and make a great deal more money. Grain going by Oswego would have to pass through 340 miles of canal with 30 locks to New York, as against 175 miles to Montreal from Kingston or 123 miles from Prescott. The advantage of these large vessels coming down to Kingston is that they would only have thirty miles of canal from the time between Port Arthur and Kingston.

Mr. W. H. BENNETT: What does the minister consider the stretch from Sarnia

down to Detroit? Is that not canal? They slow down all the way.

Mr. PARDEE: No, they do not. They slow down part of the way through lake St. Clair, and that is all.

Mr. REID: The river may be not as deep in some places, and they may have to slow down a little; but I have never recognized that as part of the canal. Look what has happened since the elevator was built at Port Colborne. Prior to that all the vessels that went through the Welland canal went to Port Arthur and got their cargo to return to Montreal. The late Mr. Tarte as Minister of Public Works devised the scheme of building an elevator at Port Colborne to be used until the canal could be enlarged. Last year that one million bushel elevator handled over twenty million bushels of grain. Large freighters bring it to Port Colborne and the other small Welland canal boats have been running from Port Colborne to Montreal. My opinion is that as soon as the Welland canal is enlarged the large boats can go down to Kingston and there transfer to the same boats that now go to Port Colborne or else large barges will be built for the purpose. Personally I have not any fear, I do not think any man who understands the situation has any fear, of either Buffalo, Oswego or Ogdensburg or any place affecting the grain going to Montreal when the Welland canal is built. As to Ogdensburg, it is many more miles from Ogdensburg to New York than from Buffalo to New York. It is not likely that a vessel will come all the way down through the Welland canal, across lake Ontario, down the St. Lawrence to stop at Ogdensburg in order to ship the grain to New York.

Mr. GRAHAM: By rail.

Mr. REID: Yes, by rail. It is absurd to make any such statement. There may be a little more grain come down to Ogdensburg for their own use in the eastern states adjacent to Ogdensburg as it is a distributing point for grain for use in small mills in that section just as Kingston and Prescott are for places back from the river.

Mr. GERMAN: I would like to have a word to say in regard to this question of transportation. I am inclined to think that many hon. gentlemen who have spoken on the matter really know very little about it. The hon. acting Minister of Railways and Canals—probably he may be Minister of Railways later on, but we hope not, because we want to see the present minister continue in that office—must remember that vessels carrying grain from Port Arthur, or Duluth, to Buffalo or Port Colborne, do not make their money in carrying that grain, but in carrying coal back to western points. It has been stated that the enlarging of the Welland canal will mean that American boats will go to Ogdensburg. No doubt they will, but they will have to go back through the Welland canal, and take their load of coal for the West just the same as the Canadian boats; so there is no reason why the Welland canal should be any more advantageous to American than to Canadian shipping. For myself, the Welland canal construction is beneficial. I would like to see the St. Lawrence route deepened and, with due deference to other opinions, I would like to see dams put in at every rapid on the St. Lawrence, and the river made navigable. That is what will happen in the future, and electric power development will pay the whole cost of construction. My own idea is that the scenic problem is practically obliterated, or will be in a few years. So far as the Georgian Bay canal is concerned, I have never taken part in the many discussions which have taken place hitherto, because I rather thought that if I discussed the Georgian Bay canal hon. members would say: You are absolutely in favour of the Welland canal and consequently opposed to the Georgian Bay canal. I wish to say now that the Georgian Bay canal is absolutely an impossible proposition, financially. It will cost $200,000,000 or more to build a ship canal from Montreal to Georgian bay. The interest on that money would pay the carriage on all the grain the Northwest can produce in the next hundred years. We have built a Transcontinental railway; pay that road four cents a bushel for carrying grain from Georgian bay to Montreal, and you will be paying less than the interest on the $200,000,000 necessary for the construction of the Georgian Bay canal.

Mr. GERALD V. WHITE: Is it only from the standpoint of cost that the hon. gentleman is opposed to the construction of the Georgian Bay canal?

Mr. GERMAN: Not at all. Outside of the question of cost altogether, I challenged my hon. friend from North Renfrew (Mr. G. V. White) to get any man who owns a ship or knows about running a ship to say that they will ever get a ship carrying 250,000 bushels of wheat to go through the Georgian Bay canal. They will never do it. Imagine 400 miles of a canal and vessels going at the rate of four or five miles an

hour, which would be the maximum speed! It is absolutely impossible. I have never said a word about this matter before but I hope the hon. gentlemen appointed to the commission will discuss the possibility of a ship drawing twenty-five feet of water, and carrying 250,000 bushels of grain going through 400 miles of canal. There is not a vesselman who will say it can be done. The curves are too short; they cannot get around them.

Mr. GERALD V. WHITE: Are there not boats carrying that quantity going via the St. Lawrence and Great Lakes?

Mr. GERMAN: Not at present, but there soon will be. I may say, however, that the Osler carries 250,000 bushels and goes to Port Colborne. When the Welland canal is finished they will carry that grain to Prescott, and tranship to Montreal. I would like to see the St. Lawrence canals enlarged so that those ships could go straight through to Montreal. I quite recognized the fact that my hon. friend from North Renfrew does not agree with me about the Georgian Bay canal, but if he will talk with his Conservative friends who own ships—he need not talk to Liberals— he will not find a Conservative vesselman who will say that the boats can do it. I would be very glad to see power developed on the Ottawa river, but that is another thing altogether.

Mr. GERALD V. WHITE: What about the international aspect of the powers on the St. Lawrence, that my hon. friend is so anxious to have developed?

Mr. GERMAN: That is only an adjunct to the deepening of the St. Lawrence river.

Mr. GERALD V. WHITE: How much of that power will belong to the United States when developed?

Mr. GERMAN: From Kingston to Cornwall about half of it belongs to the United States, and the United States Government will be only too willing to join with the Canadian Government in putting in locks and dams to develop power. I hope Canada will never agree to that.

Mr. GERALD V. WHITE: They would take care to get most of the power.

Mr. GERMAN: Not if I had anything to say about it. My hon. friend and his friends are not going to be in power very long. Outside of that problem altogether, however, the question of transportation in Canada is a big one. We have expended large sums of money in building a Transcontinental railway. It is our duty to develop all our resources to the best possible advantage but I doubt exceedingly if the development of these resources will be promoted by the building of the Georgian Bay canal.

Mr. GERALD V. WHITE: Mr. Chairman, I am glad to know where my hon. friend from Welland (Mr. German) stands in regard to the Georgian Bay canal. A few moments ago the hon. member for Edmonton (Mr. Oliver) told us—I presume he was speaking as an ex-Cabinet Minister and on behalf of the Opposition—what the position of hon. gentlemen opposite was. He said: We are in favour of the Hudson Bay railway, we are in favour of the Transcontinental railway, we are in favour of the deepening of the Welland canal, but I notice that my hon. friend from Edmonton took good care not to say that the Opposition were in favour of the construction of the Georgian Bay canal. It has been stated by members on the Opposition side of the House that if the late Government had remained in power a little longer the next great work of importance which they would have undertaken would have been the construction of the Georgian Bay canal. It seems to me, from the views expressed to-night by several prominent members on the Opposition side of the House, including ex-Cabinet Ministers, that if the late Government had remained in power the country would have been a long way from the construction of the Georgian Bay canal. My hon. friend from Welland has given the committee some of his views with regard to the Georgian Bay canal. When my hon. friend stood upon his feet he said that several members had spoken with regard to the question of transportation and that from what they had said he did not think they knew very much about it. I can tell my hon. friend that, whatever he may know about the general question of transportation, he is lacking a little in knowledge in regard to the Georgian Bay canal. I would be only too glad to take my hon. friend from Welland with me on a trip over the route of the Georgian Bay canal and possibly, when he has seen that great waterway with its immense possibilities of power development and such like, his views in regard to that particular project will change materially. My hon. friend referred to the fact that this route meant about 400 miles of canal. If he will take the trouble to digest the report which his

hon. friends presented to the House in 1908 he will find that along that 400 miles of waterway there are only twenty-eight miles of canal and sixty miles of improved waterway.

Mr. GERMAN: What is the greatest depth of water in any of the lakes?

Mr. WHITE: Offhand, I am not able to enlighten my hon. friend on that question but I could take him to certain sections of the Otttawa river where he would have a hard time to find bottom.

Mr. GERMAN: You have not a depth of thirty feet for nine-tenths of the distance from North Bay to Montreal.

Mr. WHITE: Under the present circumstances?

Mr. GERMAN: Yes.

Mr. WHITE: That may be, but what about the Welland and St. Lawrence canals? My hon. friend is talking about moving the point of transhipment from Port Colborne to Kingston or Prescott. I think that is a most silly argument. Why are the advocates of the Welland and St. Lawrence canals sending literature all over the country? I notice in one of the pamphlets which they have been sending to members of this House that they pay particular attention to a speech delivered by Senator Townsend of the United States Senate before the Lake Carriers' Association at Detroit on the 22nd January, 1914. I would like to know why Senator Townsend would not be in favour of the deepening of the Welland canal. I doubt very much if Senator Townsend is sincere in what he says in this speech, and I presume that the synopsis contained in this pamphlet is correct. Senator Townsend says:

> I have said this much as a preface to the special plea I propose to make for the improvement of waterways, and particularly for the speedy and intelligent improvement of the natural water course extending from the head of the great lakes to the gulf of St. Lawrence, an improvement having for its object the enlargement of that waterway to accommodate ocean going vessels in their voyage from lake ports to foreign parts, and all for the benefit of transportation.

He may be in favour of the improvement of the waterway down to Oswego or Ogdensburg, but I doubt very much if Senator Townsend favours the deepening of the rest of the system.

Mr. OLIVER: My hon. friend from Renfrew (Mr. White) has gone rather out of his way to establish a case against the late Government with regard to the Georgian Bay canal, using not what I said but what I did not say in proof of his argument. I think my hon. friend was entirely unwarranted in taking the position he did. He knows the late Government made a very precise and thorough survey of the route of this canal and placed before the people of the country and of the world information in regard to it which establishes the engineering possibility of its construction. As to what the late Government might have done, I am not prepared to answer, but as far as what they did is concerned, my hon. friend cannot successfully lay the accusation that they did not show their favourable attitude towards the construction of this canal.

Mr. GERALD V. WHITE: The report to which my hon. friend (Mr. Oliver) referred was laid on the table of the House, I think, in January, 1909, and they did not go to the country for two years after that, or until September, 1911. If hon. gentlemen opposite were so strongly in favour of this particular project and if, as my hon. friend from Edmonton states, they were perfectly satisfied that, from an engineering standpoint, the canal was a feasible proposition, why did not these hon. gentlemen take it up?

Mr. OLIVER: I think that ever since the present Government took office it has been the stock argument in their mouths that the late Government had undertaken such very great responsibilities. I am not quoting the words of the hon. Minister of Finance (Mr. White), but that hon. gentleman has from time to time taken occasion to condemn the late Government because of the vast projects which they had undertaken. I am sure that even my hon. friend from Prince Edward Island, who gave such noted counsel to the present Government, would agree that the announcement of a project to cost a minimum of $200,000,000 might very well cause any Government to take counsel and to consider all the circumstances and conditions before going on with the work.

Mr. GERALD V. WHITE: My hon. friend does not evidently believe in the report his own Government submitted, because that report stated that the cost would be $100,000,000.

Mr. GERMAN: $100,000,000 for a fourteen foot canal, without land damages.

Mr. WHITE: Not at all; twenty-two feet on the sills. My hon. friend evidently does not understand the report.

Mr. GERMAN: For fourteen feet on the mitre sill, without land damages, the cost would be $100,000,000.

Mr. WHITE: My hon. friend is entirely mistaken.

Mr. MACDONALD: It seems to me that some hon. gentlemen opposite are still under the impression that the Liberal Government is still in control of the affairs of this country. I am not surprised that my hon. friend from North Renfrew (Mr. White) should be very anxious on behalf of his constituents to see some forward step taken in this work, but he is not strengthening his case in any way by talking about what a Government that went out of power two and a half years ago did or did not do. The question before the people of North Renfrew to-day is, not what the Liberal Government did or did not do, but what this Government now in power is going to do. No doubt my hon. friend from North Renfrew (Mr. White) realizes that when he goes to his constituents at the next election on this great question, he will be in a very miserable position when he tells them that for four years the Government which he supported had the power to build this canal, and that they absolutely failed to take any step in that direction.

Mr. GERALD V. WHITE: This Government has only been in power three short years, and the late Government was in power for fifteen years.

Mr. MACDONALD: And each year is as long or as short as another, and there are 365 days in a year now, just as there were then, and my hon. friend from North Renfrew will not be able to escape responsibility by any suggestion of that kind.

Mr. GERALD V. WHITE: I am doing all I can.

Mr. MACDONALD: How long does the hon. gentleman from North Renfrew want this Government to remain in power before he expects them to move towards the construction of the Georgian Bay canal? The Government now in power controls the finances of the country, and to them alone is committed the task of building the Georgian Bay canal or of not building it, and what excuse can the hon. gentleman give his constituents for the Government, which he supports, doing nothing.

10 p.m.

Mr. BURNHAM: We will help the farmers.

Mr. MACDONALD: My hon. friend from Peterborough to-night started an aeroplane theory, and very interesting it was, but no later than last Friday night he gibed the Government upon their absolute inability to do anything.

Mr. BURNHAM: Oh, no.

Mr. MACDONALD: This Government came into power with a tremendous announcement from the Prime Minister, as to what he was going to do. He declared that the Liberals had failed in their duty, and in high-sounding phrases he called Heaven to witness his intentions; he told the Canadian people that once he was in power a new era would dawn on this country, and things would begin to move.

Mr. BURNHAM: Hear, hear.

Mr. MACDONALD: My hon. friend says, 'hear, hear', but he says 'hear, hear' to almost everything the Government does. If the Government can tell us what they have done or attempted to do in regard to one single item of the programme announced by their leader when he took office, we shall await that statement with interest.

Mr. HUGH CLARK: How about the grain elevators?

Mr. MACDONALD: That was arranged for by the late Government before they went out of power.

Mr. HUGH CLARK: What about the Hudson Bay railway?

Mr. MACDONALD: Why, the Hudson Bay railway was provided for and the contract let by my hon. friend the ex-Minister of Railways (Mr. Graham) before the Liberal Government went out of power. I believe that the voyageurs of centuries ago found the true water passage from the Lower St. Lawrence to the West when they went up the Ottawa river and followed the line of what is now called the Georgian Bay route, and that in this twentieth century that water route should be improved, so as to meet the modern requirements and conditions of traffic by water. I agree with my hon. friend from North Renfrew (Mr. White) as to the construction of the Georgian Bay canal, but I do ask him to be big enough to realize that the men whom he supports will never move if he continues to make such speeches as he has made to-night. They will sit in placid contentment and say: as long as the repre-

sentatives of the people most interested in that project will defend us when we do nothing, we will continue our policy of doing nothing on this, as on every other question. I believe that the Georgian Bay route should be the great national waterway of this country, and that the conditions are such that this Government, having found when they came into power an overflowing treasury—which they have been dissipating day after day to political favourites in regard to every petty project presented to them—ought, at once, to have proceeded to move in the construction of the Georgian Bay canal. They at least might commence to deal with some item of their programme. The people interested in this project will hold these men to account for their inactivity, and their inability to conceive or construct anything. The defence put forward by my hon. friend from North Renfrew and others like him, for the inaction of the Government in this matter, will be easily understood by the plain people of this country.

Mr. OLIVER: I would not wish to have any misunderstanding in regard to the position of the late Government towards this project, or my own. As a representative of the West, I have always objected to those who favoured the construction of the Georgian Bay canal putting it forward as a project in the interest of the West. The West has always been and will always be prepared to pay its share for the development of this country, either in the East or in the West. If it should seem good to the people of Canada to build the Georgian Bay canal, I am satisfied that our western people will be ready to bear their share of the burden of cost. For my own part, I have always held the view that the construction of the Georgian Bay canal was not an essential to the development of the West, any more than the construction of any other single means of ingress or egress for the products of the West. If we have a transcontinental railway carrying freight winter and summer; if we have the lake routes as we have them now; if we have the improved Welland canal; if we have the Hudson Bay railway; if we have access to the markets of the world by way of the Pacific; if we have access to the American milling centres by the American railways, we are not in a position of such urgent need that we should demand that the people of Canada pay $100,000,000 or $200,000,000 towards the construction of still another means of access which will only be of use during a part of the year. I hope I have made my position clear. We do not object to the building of the Georgian Bay canal; we do not object to the paying of our share of it, but we object to being saddled with the responsibility for its construction as being a necessity for western development. As a national undertaking, for the benefit of the nation, if the nation at large thinks well, we are quite willing to pay our share; but for my part—and I think there are other gentlemen from the West who will take exactly the same stand—we certainly object to western Canada being saddled with the responsibility for that vast expenditure as being for the benefit primarily of the West.

Mr. G. V. WHITE: I do not think the hon. gentleman should look at the matter from that point of view. It is what is going to be of advantage not only to the West but to all Canada. I think my hon. friend from Edmonton is taking a very sectional view of the matter.

Mr. GERMAN: The Welland canal is being enlarged; that is, it is being made a ship canal. It is twenty-four miles from lake Erie to lake Ontario, and the estimated cost of that canal is $50,000,000 for twenty-four miles. There are seven locks, three of them being twin locks, or really ten locks.

Mr. G. V. WHITE: Who made that estimate?

Mr. GERMAN: The engineers of the Department of Railways and Canals.

Mr. WHITE: Of the present Government or of the late Government?

Mr. GERMAN: Of both Governments.

Mr. WHITE: If there is anything in my hon. friend's contention, the deepening of the Welland canal will cost at least $100,000,000, because he states that the Georgian Bay canal will cost $200,000,000, notwithstanding the engineer's report that it will cost $100,000,000.

Mr. GERMAN: This canal is estimated to cost $50,000,000. Where there is rock, it is limestone, which is easy of excavation. The bulk of the work in the canal is dredging work.

Mr. WHITE: I thought it was practically a new canal.

Mr. GERMAN: For thirteen miles from Port Colborne it is just enlarging the present canal, widening and deepening it. For the rest of the way to lake Ontario it is a new canal with new locks that are being constructed. The estimated cost is $50,000,000 for twenty-four miles of a canal. The Georgian Bay canal is 400 miles long, either submerged or otherwise, through the hardest granite that the earth can produce.

Mr. WHITE: Solid foundation?

Mr. GERMAN: Absolutely solid granite rock that you have to blow out.

Mr. WHITE: Does my hon. friend mean to say that through the whole length of the Ottawa and Georgian bay waterway there is solid granite?

Mr. GERMAN: No. What I say is that through the whole distance you have to have a canal constructed through the rock or through the lake, a submerged canal, because there is not fifty miles in that distance that a ship drawing twenty-five feet of water can navigate.

Mr. WHITE: I think my hon. friend is mistaken.

Mr. GERMAN: I may be wrong for a few miles, but my hon. friend will agree with me that there are not at any rate 100 miles—I do not believe there are 50 miles that you would not have to excavate and have a submerged canal. If the Welland canal for 24 miles cost $50,000,000, as 24 miles is to $50,000,000 so is 400 miles to the cost of the Georgian bay canal, which will be $100,000,000, putting it on the same basis. With all the land damages you simply cannot build the Georgian Bay canal short of $300,000,000, and that will pay all the cost of transporting all the wheat of the Northwest to Montreal very much longer than any of us will live.

Mr. G. V. WHITE: The hon. member had better confer with the hon. member for Pictou (Mr. Macdonald) and get some enlightenment on this subject.

Mr. ROBB: While we have been discussing the merits of the Georgian Bay canal and of the Welland canal, the men in Winnipeg who own the grain have been negotiating sales; they have probably sold as much wheat to New York merchants as they have to Liverpool merchants, and these merchants will ship that wheat by whichever route is the cheapest. They figure on the rate they can get from Fort William to Rotterdam or to Liverpool, wherever the wheat is going. While a man in Winnipeg has been negotiating sales of wheat through a New York house, perhaps a man in Chicago has been selling corn through a Montreal house. I venture to say that our canals, since they have been constructed, have carried as much United States grain as Canadian grain. It is nonsense for us to discuss the question as to whether grain will go through United States ports or through Canadian ports; it is all an interchange of business. A man who owns corn will use the Canadian route because it is a northerly and therefor a cooler route, and his corn transhipped at Kingston or Prescott will be shipped to Montreal and will go through in better condition. If wheat is in good condition, it can be routed cheaper by New York; and it will go through that port whether you build the Georgian Bay canal or the Welland canal.

There is also the question of insurance. At certain seasons of the year there is a discrimination of half a cent to three-quarters of a cent a bushel in the insurance rate between the Montreal route and the New York route. Shortly after this Government came into power, the Minister of Trade and Commerce, who recognized that discrimination, went to Montreal, met the Board of Trade, and admitted that that was the real issue. He endeavoured to remedy the matter.

From that day to this, so far as I know, there has not been one sixteenth change in the insurance rates downwards, but the rate did go up last fall. Our friends opposite had better get to work and try to do something towards carrying out their promises in regard to insurance rates.

Mr. MACDONALD: Would the minister tell us who are the tenderers on the Welland canal, which of them were successful, and the amount of the contract on each section.

Mr. REID: I have here a statement showing all the tenders for each section:

Section No. 1.

M. P. & J. T. Davis	$5,394,780 00
Sir John Jackson (Canada) Ltd.	5,207,277 60
H. Quinlan & A. W. Robertson, Montreal	4,023,140 00
The 'Soo' Dredging & Construction Co.	5,970,505 00
Canadian Dredging Co., Limited	3,870,075 00
The Dominion Dredging Co., Ltd.	3,487,725 00
F. D. Brown and J. A. Aylmer	5,213,850 00
Booth & Flinn, Limited	4,483,156 25

Anglo-Canadian Contractors, Ltd.	$4,954,245 00
Baldry, Yerburgh & Hutchinson, Limited, Westminster, London, S.W., England, and St. Catharines, Ont.	4,081,537 60

Contractor: Dominion Dredging Co., Ltd.

Section 2.

James H. Corbett, Fredericton, N.B.	$5,418,075 00
The Canadian Carter Co., Ltd., Ottawa	6,557,125 00
Consolidated Construction Co., Limited	6,595,542 50
Inland Construction Co., Toronto	5,687,487 50
A. C. Stewart & Co., Fort William	9,680,010 00
Baldry, Yerburgh & Hutchinson, Limited	5,377,185 75
Foley Bros., Welch, Stewart & Co., Ottawa	6,163,260 00

Contractor: Baldry, Yerburgh & Hutchinson, Limited.

Section No. 3.

Anglo-Canadian Contractors, Ltd., Toronto	$10,620,325 00
Booth & Flinn, Ltd., New York.	12,331,057 50
James H. Corbett, Moncton	10,220,665 00
Sir John Jackson (Canada), Limited, Montreal	11,490,244 00
Carter Construction Company, New York	11,402,075 00
Foley Brothers, Welch, Stewart & Company	11,103,290 00
O'Brien & Doheny, Renfrew and Montreal	9,540,050 00
M. P. & J. T. Davis, Ottawa	10,066,955 00
Consolidated Construction Co., Limited, Toronto	10,647,590 00

Contractor: O'Brien & Doheny.

Section No. 5.

Confederation Construction Company, Ltd.	$2,506,462
The 'Soo' Dredging & Construction Co., Sault Ste. Marie, Ont.	2,304,362
Brown, Aylmer & Russell, Toronto, Ont.	2,380,398
Canadian Dredging Company, Ltd., Midland	1,945,788
Consolidated Construction Co., Ltd., Toronto	2,475,745
James H. Corbett, Fredericton	2,549,004
The Inland Construction Company, Toronto	3,172,348
G. F. Fauquier, Ottawa; W. C. Chambers, Harriston; C. McQuiggs, Nepigon; W. A. McCaffrey, Toronto	2,618,610
The Canadian Carter Company, Limited, Ottawa	3,010,285

Contractor: Canadian Dredging Company, Limited.

Section 4a

Jennings & Ross, Ltd., Toronto	$ 97,138 00
Clarke & Monds, Ltd., Toronto	175,386 50
J. H. McRae & H. A. Campaigne, Niagara Falls	302,774 00
Peninsular Construction Co., Ltd., St. Catharines	89,495 50
Maguire & Cameron, St. Catherines	80,477 50
Lauzon Engineering Company, Limited, Lévis	97,852 00
The C. S. Boone Dredging & Construction Co., Ltd., Toronto	99,648 00
F. R. Wilford, Lindsay	$116,917 00
Canadian Dredging Company, Ltd., Midland	98,764 00
J. K. Kernahan, St. Catharines	108,258 00
Jones, Girouard & Company, Ltd., Ottawa	102,386 00
Campbell & Lattimore, Toronto	146,295 40

Contractor: Maguire & Cameron.

Mr. GERMAN: The Dominion Dredging Company have a pretty hard contract. Are they going on? Does the minister think they can carry out their contract with the prices they have got?

Mr. REID: I never heard anything to the effect that they were not going on. They have a splendid plant at work. It was in the fall when these contracts were let, and of course we would not expect much to be done in the winter.

Mr. GRAHAM: When does the minister expect to let the other contracts, and how many will there be?

Mr. REID: There are yet to be let sections 4, 7, 6, 8 and 9. I understand from the engineers that these contracts, except section 8, will not take more than half the time of the others, and so there is no urgency so far as they are concerned. As to Number 8, that will be let before very long, in order that the work may be finished about the time that the work on the other four contracts is finished.

Mr. GERMAN: When will the contract be let?

Mr. REID: The plans are very nearly ready. But I thought that as the Minister of Railways and Canals (Mr. Cochrane) will probably be back within a month or so, I should probably await his return. There is no very great urgency for that length of time. We could let that contract within the next two or three months and yet have that one ready by the time the others are carried out.

Mr. GRAHAM: I understand that some provision is being made for the future as to the lock-gates, so that if the canal is to be deepened a certain part of the work will be already done.

Mr. REID: The lock-sills and the locks are being built to thirty feet, so that if in future we want to make the canal one of thirty feet depth, it will only be necessary to do the dredging of the five feet.

Mr. GRAHAM: Let me offer a word of paternal advice to the minister. Do not boast unduly that a contract is made at a lower figure than the estimate. Better to boast of that after it is all over. The esti-

mate of the engineer is an approximate estimate only and allows all the tenderers to base their figures on the same information. But it does not necessarily cover all the work to be done; the quantities may be different from those estimated. The probabilities are the work will cost eventually—without any dishonesty, but under the system—a good deal more than the original estimate, because the quantities will vary.

A great deal of dispute arises in connection with these larger contracts. An engineer will estimate so much solid rock and so much excavation of a certain kind of clay and so much loose rock and so on. These are estimates, and when the work comes to be done contractors and engineers may find a great deal more solid rock than they anticipated, even by boring. The final cost of the work will vary a great deal although the contractors will have tendered on the same basis. I would advise my hon. friend, who has rather gloried that the tenders are less than the estimates, that the time to glory is when the contract is through and the bills are paid, not when the contracts are let.

Mr. REID: I quite agree with that; but to me it was a surprise that the total of the tenders was so much less than the estimates, for, as a rule, the tenders are very close to the estimates. I agree that although the contracts are much less, in the final wind-up, if we get out for the engineers' estimates, we shall do very well.

Mr. GRAHAM: With two exceptions the tender prices on the Transcontinental were less than the estimates of the engineers. Can my hon. friend tell me when this work will be completed?

Mr. REID: The Minister of Canals is making a hard push to have it completed within five years and he has told the contractor that they must push their work with the greatest possible speed. The date of completion for the contract is April 1, 1917.

Lachine canal—improvements, lock 4, $90,000; concrete vertical walls, $125,000.

Mr. REID: The $90,000 is to cover the removal of the banks obstructing the entrance to lock 4, and for other work there. The original estimate was $300,000. This was revised to $240,000. There was expended in 1913-14, $140,000.

Mr. GRAHAM: Is this vertical wall the contract that has been going on for years with Quinlan and Robertson?

Mr. REID: This appropriation is to cover work provided last year but not completed. It is similar work to what my hon. friend has referred to and with the same firm. The work drifted away so much from the original work that it was decided to let a new contract to the same firm; but it is the same work.

Soulanges canal—protection works, upper entrances, $110,000; new mooring posts, $3,500.

Mr. REID: This work is being done under contract by Haney, Quinlan and Robertson. Operations commenced in May last and have been carried on vigorously through the summer. The breakwater is now completed except for some filling in front of lock 5. Five cribs which will form the continuation of the present guard pier have been sunk in position and filled with stone. The sixth one is now being built and will be completed next summer. This is at the upper entrance to the Soulanges canal.

Mr. GRAHAM: In Montreal I was discussing with several gentlemen a very good piece of road made by the provincial Government. In a few days the Good Roads Association of America is to meet in Montreal. These gentlemen were desirous of showing them some work that had been done by the provincial Government, but they said there was a difficulty in going out to this piece of road, because this Government had not completed a piece of their road along the canal for which an appropriation was taken last year. This could only be done in a temporay way before the meeting takes place in May.

Mr. REID: Would not that be on the Chambly canal? There is a road there that members have been after me to repair.

Mr. GRAHAM: Would my hon. friend ask about that in the department?

Mr. REID: I will inquire and send the hon. member a note to-morrow.

Trent canal—construction, $1,000,000.

Mr. MACDONALD: I wish the minister would ascertain at what date a gentleman by the name of Cinnamon was first employed on the Trent Valley canal.

Mr. REID: I will find out.

Item stands.

Enlarging Port Colborne elevator, $75,000.

Mr. GERMAN: Will that complete the elevator?

Mr. REID: Yes. It is proposed to enlarge the elevator from its present capacity of 800,000 bushels to 2,000,000 bushels at an estimated cost of $389,000. Mr. Jameson promises that it will be completed in June or July.

Mr. GERMAN: Last year the concrete that was used in the building was made from gravel brought from the United States. I would like to call the minister's attention to the fact that they can get plenty of gravel in Canada at the same price as from United States firms, and I would suggest that gravel be bought from Canadian rather than from United States firms. As long as the minister can get gravel from Canadian firms, pumped on the Canadian side of the boundary line, he should do it.

Mr. REID: As I understand it, Mr. Jameson, who had charge of the construction, purchased the gravel from a man living in Port Colborne, who had purchased it from a dredging company on the Niagara river; therefore, I suppose he did not know from which side it was pumped.

Mr. GERMAN: Mr. Jameson bought the gravel from a gentleman in Port Colborne, who purchased it from a United States firm, who pumped it from the United States side of the international boundary line.

Mr. REID: We will see that it does not occur again.

Mr. GRAHAM: Do I understand that they have put through that elevator this year over 20,000,000 bushels?

Mr. REID: 21,000,000 bushels.

Mr. GRAHAM: This is rather my elevator, and I take a little pride in it. I want to see whether our prophecy as to its usefulness has been fulfilled. I have been told by vessel-men that it is one of the most complete elevators for its size on the continent, and that it can handle cargoes as quickly as any elevator of its size in Canada. The people of Canada should be proud to know their elevator is at least up to the standard of company-owned elevators. Can the minister give us a comparison as to the cost of handling as between company elevators and this elevator.

Mr. REID: The total quantity of grain handled last year was 21,441,000 bushels. The elevator was not working at full capacity, as at that time the work of construction was going on. It is very probable they would have had a bigger run if the elevator had been in proper shape. The gross earnings were $98,358.36; total expenses, $45,311.30; and net earnings, $53,047.06.

Mr. GRAHAM: What was the cost per bushel?

Mr. REID: They do not seem to have figured that out.

Mr. GRAHAM: They ought to know what they charge a shipper for handling a bushel of wheat.

Mr. REID: I will have that information here when another item in the Suplementary Estimates is taken up.

Mr. GRAHAM: The minister will find there is a certain price per bushel, with a limited number of days for storage.

Mr. REID: We have a circular for the trade showing the rates, and I will bring it down and get it in 'Hansard' to-morrow.

Mr. GRAHAM: I suppose that one of the reasons why the addition to the elevator can be made at a reasonable cost is that in the original building we provided foundations for such additions.

Chambly canal—Renewing bridge, Deigneault's Crossing, $4,500; new lock gates, 6 $5,500.

Mr. REID: As the old wooden bridges have got past repair, we are replacing them by permanent steel structures.

Mr. GRAHAM: Why not wooden trestles?

Mr. REID: This is a canal. The estimate for the superstructure is based on the contract price for the bridge at Laroque's Crossing, now being built by the Hamilton Bridge Works. That accounts for $4,500. The $1,000 is to provide a pair of spare gates for lock 6.

Cornwall canal—Improving lower entrance, lock 15, $2,500; improvements, $1,200; rebuilding lower entrance pier, lock 20, $21,000; walls at upper entrance old locks 19 and 20, $4,500; total, $39,500.

Mr. REID: Mr. G. R. Phillips is finishing a contract for the lower entrance which will take up $2,500; rebuilding and extending the wharf at locks 17 and 18 will take $4,000. The old cribwork forming the outer end of the north entrance pier at lock No. 20 is in a very bad condition and must be taken down at once. It is proposed to remove the old cribwork pier, which is only eighty feet in length, and rebuild it with

reinforced concrete from bottom of canal, at the same time making it 200 feet long. The bulk of the work will be done in April, 1914, while the canal is unwatered, but the top of the old cribwork should be removed to at least three feet below water, after the close of navigation this season, to expedite the spring work. An appropriation of $3,000 was voted at the last session of Parliament to commence the work. The total estimated cost of the work is $24,000. The work is being done under contract. The next item is for walls at the upper entrance, old locks, 19-20, $4,000. As it seemed to be extremely unlikely that the old locks 18, 19 and 20 on the Cornwall canal would ever be used again for the passage of vessels, and as new gates for all these locks would be required at once if kept in condition, it was decided last year to permanently close them by the construction of concrete walls across the locks at the upper recesses. An amount of $6,000 was voted by Parliament last session for the closing of locks 19 and 20. While the canal was unwatered in April, 1913, the concrete wall was constructed across lock 20. It is proposed while the canal is unwatered in April, 1914, to construct the wall across lock 19. The work is being done by the canal staff.

Mr. GRAHAM: That lock No. 20 is nearly opposite the power house?

Mr. REID: Yes, right opposite.

Mr. GRAHAM: Some inquiry has been made of myself as to a claim by the New York and Ottawa Railway Company concerning some work they did at the time of the break in the Cornwall canal. My hon. friend will remember that a very serious break occurred in that canal in 1907 or a year later.

Mr. REID: Is that the time that Mr. Weller was sent down there?

Mr. GRAHAM: Yes, Mr. Butler was ill, and I wired for Mr. Weller to come and take charge of the work. A portion of the bridge of the company had been carried away and another portion had not been carried away. In order to expedite the restoration of navigation it was necessary to remove a certain portion of the bridge that still stood. My recollection is that the manager of the road was there with Mr. Weller, myself and the superintendent. We had no time to discuss ways and means; this thing had to be done quickly. After consultation with Mr. Weller, I said to the company: Do whatever Mr. Weller asks you to do to get your property out of the way so that we can get this work done quickly. I had it in my mind that the Government would pay for any work ordered in that way. Later a claim was made against the Government for damages to the bridge on account of the break and a certain amount was asked for this work. I refused absolutely to pay the account because there was a claim for damages included in it. I said that the company in building the bridge across the canal took the risk of any breaks that might occur. I do think that they should not be paid one cent for damages, but I think it would be fair to pay them a reasonable amount for the work I ordered them to do.

Mr. REID: I received a letter a few days ago from this company asking me to pay an account. I cannot recall whether there was anything in it for damages or not but they stated in this letter that the hon. member for South Renfrew (Mr. Graham) had been present and had ordered the work to be done. Of course, I quite understand that in a case of that kind there was nothing else to do and that the Government should pay for anything the hon. member, or the engineer, ordered done because you could not possibly wait. I asked the deputy minister to write to the hon. member and I said that whatever he had ordered would be paid for. Whatever arrangement the hon. member recollects having made in reference to the matter will certainly be carried out as far as I am concerned. If I find any difficulty in coming to a conclusion after going over the matter I shall certainly take it up with the hon. member and endeavour to come to some arrangement that is fair and just.

Mr. GRAHAM: The reason I did not settle the matter was that I would not consider any question of damages.

Quebec canals—Dredging, $31,000; new hull for derrick, $8,000; concrete facing dam at Valleyfield, $26,000; protection walls, lake St. Francis, $6,000.

Mr. REID: Of this $10,000 is for cleaning basins 1, 2, 3 and 4 and removing obstructions in the Lachine canal, and $3,000 for dredging on the Chambly canal; $8,000 is for the hull of our derrick built thirty years ago and which cannot last longer than one more season. This derrick is being used in connection with our dredge. We are asking for $26,000 for concrete facing, dam at Valleyfield. This contract was awarded to

Cossette and Company last summer but owing to difficulties in procuring the necessary plant the contractors were not in a position to commence operations before the end of the fiscal year. This is a firm belonging, I think, to Valleyfield. If I remember rightly, a few days ago we cancelled the contract and intend advertising again for new tenders.

Mr. PAPINEAU: When was the contract cancelled?

Mr. REID: Only a few days ago. We had been pressing this firm to proceed with the work and they refused. There was nothing else for us to do but to cancel the contract. I gave instructions to the department to call for new tenders, these tenders to be received, I suppose, withing two or three weeks, and then we intend awarding the contract to the lowest tenderer.

Mr. PAPINEAU: I understand that the contractors had already begun the work and had spent $3,000 or $4,000. I understand that after beginning the work the Montreal Cotton Company sent in a protest against the work proceeding because they had some barges of coal that they wanted to get through with the result that the contractors were shifted from one place to another and their work interfered with. I understand further that they asked for an extension of time but I believe that they did not receive any answer. They were told that their contract would be cancelled and that their materials would be confiscated.

Mr. REID: They asked for an extension of time but it was not granted. They did not show any inclination to go on with the work and they did not seem anxious about it at all. We urged them to go ahead. The hon. member states that they have spent $3,000 or $4,000. The engineer in charge of the work did not feel justified in giving them an estimate.

Mr. PAPINEAU: They did some work at the bottom of the river and prepared the foundation for the concrete wall. They were told they were to get a machine from a firm in Coteau, but they were not able to get it and they had to do the work by hand labour. The men were shifted about from one place to another whenever a coal barge would come in for the Montreal Cotton Company, and they were hindered in their work in that way. There were petitions presented against the awarding of the contract to this firm, and these petitions were originated by political opponents of the contractors, in Valleyfield. I understand the contractors' deposit has been forfeited, and I believe that to be absolutely unfair.

Mr. REID: We were anxious to have the work proceeded with, and after the contract was awarded last summer the engineer did everything in his power to try to get the contractors to proceed with the work, but they showed no inclination to do so. It seemed to me that they thought the prices were too low, and that they were holding back. The engineers of the department have been pressing on me for some time that the contract should be cancelled, and new tenders called for. The contractors did not live up to their contract; the time had expired, and I thought there was nothing else to do but to order the cancellation of the contract and to call for new tenders.

Mr. PAPINEAU: What about the deposit?

Mr. REID: We will keep the deposit unless they can show some reason why we should not.

Mr. PAPINEAU: I can assure the minister that the contractors are in a position to do the work if they are given an opportunity to do so.

Mr. ROBB: When was the contract given to this firm?

Mr. REID: 26th July, 1913.

11 p.m. Mr. ROBB: I submit to the minister's spirit of fair play these circumstances. These people were given the contract at Ottawa on the 26th July, and it is reasonable to think that they would have a week to get to work. They had hardly been awarded the contract when the Montreal cotton mills began to receive coal at this dock, and when the contractors started working at one place, the engineer would move them to another place, and then a barge would come in there and they would have to be moved back again. I was in Valleyfield at the time, and I knew all that was going on. It so happened that the lowest tenderers were Liberals. If they were not Liberals they were Ministerialists. The minister will know what a Ministerialist is. They formerly supported the Liberal party, and there was a row among some of the Conservatives when this work was given to Cossette Brothers. Immediately delegations started for Ottawa and petitions were sent saying that these contractors must be stopped from doing that work.

Mr. REID: I never heard of that before.

Mr. ROBB: The work was delayed; the cold weather came on in the fall, and they could not put men to work in the icy water. The contractors were prepared to go on with the work this spring, when they discovered that their opponents in Valleyfield were objecting to their doing the work. Then there was an arrangement with another gentleman who had been a life-long Conservative, to transfer the contract to him, but the political friends of the minister in Valleyfield objected to that and insisted on the minister canceling the contract, and punishing the Liberal contractors by forfeiting their deposit. That is the history of the case. The minister knows these men were punished at the request of his political friends at Valleyfield.

Mr. REID: The hon. gentleman is not fair in putting it in that way. All this has occurred recently, and I do not think it came before Mr. Cochrane at all, but, so far as I am concerned, it is the first time I have heard what the politics of the contractors are. I never heard mention made of that before. No person has been up to see me from Valleyfield or from any other place to have this contract transferred from this firm to a Conservative in Valleyfield, except one man, but I have never seen any petition.

Mr. GERMAN: What is that man's name?

Mr. REID: I think it is Boyer; but I refused to transfer it to him. I am informed by the officials that the object in getting this contract was to get a change in the contract on account of the railway the contractor was promoting in Valleyfield, or some other reason of that kind. At all events, I can assure the hon. member (Mr. Robb) that there was nothing political in the matter at all, and no suggestion of that kind was ever made to me. This firm did not seem to take any interest in the work, and if I had not been informed by the official that there was no chance of them going ahead, I would not have agreed to the cancellation of the contract.

Mr. PAPINEAU: I can assure the minister that these contractors have already spent three or four thousand dollars on this work, which is to cost $16,000. The contractors are really in earnest and intend to do the work. As my hon. friend from Huntingdon (Mr. Robb) has said, it is a political quarrel, and this cancellation of the contract is an attempt to choke them off and to confiscate the work they have done. Petitions have been signed in Valleyfield by 25 or 30 persons, and I have no doubt they have been forwarded here. The contractors were working at that contract for about two months last fall, and when they could not work in the river they were preparing material to commence the work this spring. They asked for an extension of time in good faith. I believe these contractors are the best men in Valleyfield to do that work.

Mr. REID: If they have spent $3,000 or $4,000 on a $16,000 contract, it is surprising to me that they never made application for a progress estimate.

Mr. PAPINEAU: They were preparing the material and getting in plant, and they could not have asked for an estimate before the concrete was put in.

Mr. REID: In every contract progress estimates are made on the material before it is put into the work. From July up to the present time these contractors have never asked for a progress estimate and they never made any claims since we have cancelled the contract.

Mr. PAPINEAU: It is well known in Valleyfield that they encountered so much opposition from the engineers that they preferred to cease work and ask for an extension of the contract this year.

Mr. REID: That may have been going on in Valleyfield; and it may have been the impression of the contractors; but, so far as I personally am concerned, their complaint never reached me and the chief engineer states that such a complaint as the hon. member states never reached him. I can assure the hon. member that the contract was not cancelled on account of the political situation; the contract was cancelled entirely on the recommendation of the engineers that these people would not go on with the work. They did not seem to have any desire to go ahead; and if we wanted to get the work done, the only thing to do was to cancel the contract and ask for new tenders.

Mr. ROBB: Is it the policy of the department to cancel all contracts that come before it?

Mr. REID: We certainly do not do so, as long as a contractor shows good intentions of completing his work. That has been the system with all governments.

When we award a contract and the work does not proceed and is not likely to proceed, then the contract is cancelled. I am satisfied that every government since Confederation have cancelled contracts during the time they were in power. It seldom occurs, but it certainly does occur.

Mr. ROBB: We have just told the minister that these men were so delayed last fall that it was simply impossible for them to do the work on account of his engineers who kept them back. The men were ready to go on with their work this spring and came to the minister asking for an extension of the contract so that they might do so. When their contract expired on the 31st of March, they applied for an extension of time so that on the 1st of April they might commence work when the ice went out, but they were not given that extension.

Mr. REID: So far as I understand from the officials of the department, these people never brought a dredge there at all, although a dredge was necessary for that work. They were trying to do the work with a diver. I do not remember meeting any member of this firm; but they interviewed the chief engineer a few days before the contract was cancelled, and they stated that they did not wish to go on with the work at all; all that they wanted was the return of their deposit. I acted entirely on the recommendation of the officials of the department, and no one asked me to cancel this contract because these men were not supporters of the Government. We have cancelled the contract; they have not asked for any more than their deposit back, and that is a matter that I personally have not the power to decide. Once a deposit is made on a contract, it requires an Order in Council or a vote of the House to refund it. We would have to put it in the Estimates, and a matter of that kind would have to be considered by Council before it could be brought before the House.

Mr. PAPINEAU: One of the contractors came to Ottawa on the 30th of March. I have seen him since then, and he told me that he had received a letter stating that he was liable to forfeit his deposit. There must be some understanding, as the contractors seemed anxious to keep the contract and would have kept it had they been allowed to do so.

There was a question of having a dredge on the work, but I understand that the engineer in charge advised the contractors that the work could be done with a dredge; but a dredge could not be procured at that time as all were at work for the season. There was nothing left but to do the work by day labour, and they worked in that way for some weeks. I am surprised that they did not get an extension of time, because I saw them last week, and they seemed anxious to do the work.

Mr. REID: The matter was handled by the engineers of the department; I acted on their recommendation, and the contract was cancelled. We cannot do anything now but have a new contract. There is the question of the deposit which will have to be taken up at some future time.

Mr. GRAHAM: After the lengthy statement by the hon. member from Beauharnois (Mr. Papineau), who seems to know the situation thoroughly, I hope the minister will look into the matter; and if it is as stated, that the men were prevented by the engineers from proceeding with the work for certain reasons, I think it might well be considered a case for the return of their deposit; because deposits have been returned before when the contractors have not been at fault.

Mr. REID: I will certainly look into the matter; and, if conditions are as the hon. member states, the contractors are certainly entitled to consideration. We do not want to take advantage of them if the fault has not been theirs.

Mr. PAPINEAU: Many affidavits can be produced in proof of what I have stated.

Mr. GRAHAM: We had better let this item stand so that we can discuss it again.

Item stands.

Soulanges canal — rebuilding of wharfs, $10,000.

Mr. ROBB: Where are they building these wharfs?

Mr. REID: The two wharfs mentioned were built by the Department of Public Works at the time of the construction of the canal, and they have both fallen into decay to such an extent that they have to be entirely rebuilt. These being on a canal it seems reasonable they should be under the jurisdiction of this department.

Soulanges canal—draining Clements' gully, $50,000.

Mr. REID: This ditch which is cut through the very soft clay to be found almost everywhere on the Soulanges canal has always given a great deal of trouble and its maintenance therefore has been exceedingly

expensive. The concrete abutments of a number of farm bridges spanning the ditch have fallen down, and it is only a question of time when the others will tumble down also. It had been intended to line the bottom and slopes of the cut with concrete slabs and to reinforce the floorings of the bridge at a cost of $40,000. But the scheme now proposed comprises the laying of 7,200 lineal feet of 4½ feet reinforced concrete pipe. This will entail a somewhat larger expenditure, but when completed the cost of maintenance will be reduced to a minimum.

St. Peter's canal—Improvements, $135,000.

Mr. KYTE: How much has been paid the contractor?

Mr. REID: About $60,000 has been paid up to the present time.

Mr. KYTE: I think the tender put in by the present contractor was very much lower than the tender of the next above him.

Mr. REID: Very much.

Mr. KYTE: So much so that it would be scarcely possible for him to make a profit, assuming that the others were right. Did I understand the minister to say this afternoon that the changes proposed in the plans involved $100,000?

Mr. REID: The tenders received were W. H. Weller, $266,887; M. Connolly, $369,040; Haney, Quinlan & Robertson, $395,565; and Brown & Aylmer, $427,525.

Progress reported.

On motion of Mr. Reid, the House adjourned at 11.20 p.m.

Tuesday, April 28, 1914.

The House met at Three o'clock, the Speaker in the Chair.

PRIVATE BILLS.

FIRST READING.

Bill No. 161, respecting the Western Life Assurance Company.—Mr. Bradbury.

RESUME OF GENERAL ELECTIONS.

Mr. MARCIL: I desire to draw the attention of the Prime Minister and the Government to the fact that a pamphlet has been distributed to members of the House containing a resumé of the general elections of 1896, 1900, 1904, 1908 and 1911, and of by-elections held between June, 1, 1896, and January 1, 1914. This work is a valuable one, but it does not cover the whole period from Confederation. I would ask the Prime Minister to instruct the Clerk of the Crown in Chancery to prepare a similar resumé for the period between 1867 and 1896. This would give a complete record of all Dominion elections from 1867 to 1914 in a handy reference book. I may state that with reference to general and by-elections held between Confederation and 1896 there is very little information available. From what I know of the Clerk of the Crown in Chancery he is the man to prepare such a resumé. Every year's delay in the preparation of this election record means so much more difficulty in obtaining the information necessary for its proper preparation. I am sure that the right hon. gentleman will give the subject due attention and will see that the work is done.

Mr. BORDEN: I shall be glad to give consideration to it.

NEWFOUNDLAND SHIPPING DISASTER.

PROPOSED AID FOR SUFFERERS.

Mr. BORDEN: I desire to allude to a matter which I mentioned a few weeks ago. At that time we had tidings of a very regrettable disaster which had befallen a number of fishermen of Newfoundland. I then informed the House that the Government intended to bring down an appropriation of the sum of $10,000 to assist in the relief of the families of those who had been lost. Since that time it has transpired that, most unfortunately, the disaster was much greater than then known. It has been definitely ascertained that the steamer Southern Cross with a very large number of persons on board has been lost and that the number of sufferers will be two or three times as great as when I made the announcement to the House previously. Under the circumstances, I think we shall all agree in the desirability of increasing the appropriation. I take the opportunity of announcing that we propose to increase the grant from $10,000 to $25,000 for the purpose of relieving those who have suffered in this way.

Sir WILFRID LAURIER: The circumstances which have come to light since my hon. friend made the announcement some time ago of the Government's intention to give $10,000 are such, I think, as to justify the increase, and I have great pleasure in supporting it.

QUEBEC MARINE AGENCY.

ALLEGED IRREGULARITIES.

Sir WILFRID LAURIER: I have seen reports in the press of this date to the effect that certain officers of the Marine Department at Quebec have been suspended. Can my hon. friend the Minister of Marine and Fisheries give us any information on the subject?

Mr. HAZEN: Last week the attention of the Marine Department was called to the fact that there was reason for believing that very serious irregularities had occurred in the Marine and Fisheries agency at Quebec, covering a number of years. In consequence of the information that was received, Mr. Doutre, the purchasing and contract agent of the department, was sent to Quebec, and, as a result of the inquiries Mr. Doutre made, and the information which he received while there, he has been placed temporarily in charge of the Marine and Fisheries agency in that city, four officials have been suspended, and a thorough inquiry is to be made at once into the charges which have been made. The charges which have justified this action on the part of the Department of Marine and Fisheries are to the effect that in the years 1908 and 1909, and possibly in subsequent years—the full facts are not known—the pay-lists of the department were padded; the names of fictitious persons were put on the pay-lists as well as the names of others who, while employed by the department, were not employed in the capacity designated on the pay-list. These pay-lists were certified by the timekeeper, by the accountant of the agency, and by the paymaster, and went through the usual departmental channels and were paid. There is, I think, no doubt whatever about this having occurred, as it is practically admitted by one of the clerks in the agency, and, I am informed, by the accountant of the agency himself. As to the position the agent occupies in the matter, there may be difference of opinion; that will have to be ascertained by investigation. Mr. Beland, it is fair to say, told Mr. Doutre that he had no knowledge of the matter at all; other officials of the department say that Mr. Beland did know what occurred, and that in doing what they did they were acting under his instructions. It is said that the persons who got this money did not themselves benefit by it; but the information is that certain bills were incurred which the purchasing agent of the department at Ottawa refused to sanction, and that for the purpose of paying those bills fictitious names were placed upon the list, the money drawn in the names of these fictitious persons, and then used for the purpose of paying the bills. This action involved conspiracy; at least, I think that is the case—I do not want to make statements that will not in future be verified—but it seems to me it involved complicity amongst a number of the officials of the department and in some cases involved what was practically forgery, because the checks were sent payable to the parties whose names had been placed on the list, and these checks were endorsed by somebody with the names of those to whom they were payable. In addition to that, a charge is made to the effect that certain junk and properties were disposed of by the agency and that no account was made of the moneys received. In that case an explanation is given to the effect, I believe, that in connection with some celebration which was held in Quebec the money that had been obtained through the sale of this junk and old material was used to defray certain expenses of decorating the agency premises. But the fact was never reported to the department; no return was made of the money, and no account was ever sent in for these expenses. The amount, however, is, I believe, comparatively small. In view of the circumstances, we have thought it desirable to ask the Governor in Council to sign an order appointing a commission under the Enquiries Act to investigate the whole matter. That commission, which will consist of Mr. Doutre, the contract and purchasing agent of the department, and one of the officials of the Justice Department, will proceed at once to ascertain exactly what the state of affairs is. I may say that the statement is made—and it would appear on the face of it to be a frank statement—that nothing of this sort has occurred since the year 1909; that these irregularities, which have since come to light, originated in the years 1908 and 1909. But we are told of another case where an official employed in the department placed his own name upon the list two or three years ago as having done work as a mechanic, to the amount of $20. The statement is made to us that this money was used by him, not for his own private

purposes, but to pay an account that had been contracted at Bic, I think, by the agency on his instructions, which the department refused to recognize, considering it not a proper charge to make. The report of the investigation of the commission will be laid before the House as soon as it is received.

THE ST. JOHN VALLEY RAILWAY.

On the motion of Hon. W. T. White (Minister of Finance) for Committee of Ways and Means:

Mr. F. B. CARVELL (Carleton, N.B.): Before you leave the Chair, Mr. Speaker, I desire to call to your attention and to that of the minister a matter of great importance, not only to the province of New Brunswick, but to the Dominion of Canada as a whole, regarding the construction of a railway in our province known commonly as the St. John Valley railway, but legally as the St. John and Quebec railway. I regret being compelled to bring this matter up this afternoon when my hon. friend the Minister of Finance is anxious to enter into the consideration of tariff matters, but as I may be called away at any moment I feel that I would not do justice to myself and to my constituents in the province of New Brunswick were I to leave this House without laying before the Government and the country certain facts of grave importance which I think should be given to them.

It is well known that very grave charges have been laid against the Premier of New Brunswick by Mr. Dugal, a member of the legislature, on two important matters. The first is in connection with the extension of timber licenses; with that I do not intend to deal at the present time, because we have the promise of the Government of the province of New Brunswick that a tribunal will be created to give that matter a thorough investigation, with that matter I will deal at the proper time and in the proper place. We are also promised that a tribunal will be created to investigate certain matters in connection with the St. John and Quebec Railway Company. In so far as those matters can be properly discussed and investigated before that tribunal, I do not propose discussing them here this afternoon.

But I want to discuss a side of this question which appeals to this Government, to this Parliament, and to the people of Canada as a whole. You will remember, Sir, that there is an agreement on our statute books— placed there as a result of a number of different statutes—by which the Government of Canada have agreed to take over and operate this railroad as a portion of the Intercolonial, as soon as it is in a position to be taken over. In fact, the Government agreed to take over each individual section when completed; and they agreed to pay the company owning the road forty per cent of the gross earnings, upon which the province of New Brunswick were to have a lien for the interest on the bonds. The balance, if any, would go to the company as their own private property. As the House of Commons is going to operate this road for sixty per cent of the gross earnings, it is a matter of great importance to the people of this country that the road be properly constructed, that it be properly located, and that it be not over-capitalized and generally that it is a proposition from which sixty per cent of the proceeds will make a proper fund for operating the road.

As regards the inception of this transaction, I take credit to myself in so far as I am entitled to it. It is an absolutely justifiable proposition for the people of New Brunswick and for the people of Canada as a whole—a proposition which was justifiable from any standpoint whatever under the original inception, a proposition which, in my judgment, could have been carried out and made a paying proposition to the people of Canada or to any person. This agreement was entered into in the session of 1911, between the Dominion of Canada and, we might say, the province of New Brunswick, because they were really the contracting parties. It was agreed in this House that they were to build a road through New Brunswick up to the standard of the Transcontinental, and that the road was to go from Grand Falls to St. John, N.B. It was to run from the Transcontinental to the port of St. John, and was to be a highway over which the commerce of the Transcontinental intended for export from the city of St. John should pass. It was to be a road in every sense of the word, and equal to the Grand Trunk Pacific or Transcontinental in grade, curvature, and general make-up. Prior to the election of 1911, there was a good deal of backing and filling between my hon. friend the Minister of Marine and Fisheries, then Prime Minister of New Brunswick, and this Government. I am not going into the details of that as it is ancient history, and plays no great part in the important

matter which we have to consider at the present time. Suffice it to say that no agreement was ever come to before 1911 by which they were to commence the construction of the road. We supposed we had them to the sticking point a good many times but they always got away from us. They promised first of all that it was going to be next month, then next week, then the next day, and then the next day and this went on until the 21st of September, 1911. Up to the 21st of September, 1911, when the Liberal party was defeated, the contract had not been signed by the Government of New Brunswick, but the moment my hon. friend's party came to power the whole matter was plain sailing. Instead however, of a contract being entered into between the province of New Brunswick and the St. John and Quebec Railway Company whereby a road was to be built of the character which we had stipulated—the character set forth in the statute of 1911—this Government passed legislation authorizing a contract between the province of New Brunswick and the company for the construction of a road of an entirely different character—a road of any specifications which the contracting parties could agree upon. What was worse, it referred to certain schedules when there were no schedules in the Act. Therefore, the matter was left wide open. I will not take up the time of the House reading about this point as it was all placed on 'Hansard' last year. I have referred to the statutes; I quoted the original statute, and the statute of 1912. If my hon. friend the acting Minister of Railways wishes to inform himself on this point, he will find the vicious section in chapter 49 of the statutes of 1912 wherein it is provided that the road shall be built according to the specifications agreed upon. Now, the specifications agreed upon are something we know nothing about—except the information that was given us in a return brought down last session.

Mr. J. D. REID: You have seen the specification, then?

Mr. CARVELL: No, I saw no specifications. I only got some correspondence. I asked for plans and specifications a number of times, but the Minister of Railways told me it would be an endless job preparing the plans, but that I was at liberty to go to the department at any time to examine them. I have no fault to find with the Minister of Railways and Canals—I am speaking now of the Hon. Mr. Cochrane as I assume the acting Minister of Railways knows nothing whatever about it—he is disposed to do what is right in the matter. He is willing to give us all the information in his possession if we like to go over to the department, but as it was so very voluminous and as I could not carry it in my head I did not get it. Certain returns were brought down in this House a year ago, and were discussed by myself on the 3rd day of June last. My hon. friend will find the discussion if he refers to 'Hansard' of that date. According to those returns it appears that the company was allowed to put in 7 degree curves and 1 per cent grades wherever they wished. The result is that they have built 117 miles from Gagetown to Centreville; the two miles through the city of Fredericton have not been built. I do not mean to say that every mile of the 117 has been completed, but they have been working over that distance. I make the statement here, Mr. Speaker, that it is not a first-class road, it is not a second-class road, it is not even a third-class road. The only thing that can be said in its favour is that it has 80 pound steel rails, and so far as the railway is completed it has a reasonable amount of ballast. The bridges—what few of them there are—are to be of steel, and the larger culverts of concrete. So far as that goes, it is all right, but there are dozens and dozens of little corrugated iron culverts. I can tell the minister of one place where there is a three-foot corrugated culvert under a twenty-foot embankment. The culvert is broken down, and it is almost impossible for trains to get past that point.

After the remarks which I addressed to the minister a year ago, he promised me that he would have these things remedied. I told him that the road was not being built upon the plans and specifications in his office. I told him not to take the word of the company, but to put his engineers upon the right-of-way and take the levels. I told him to go to the contractors and ask them. I told him about these culverts. I believe that they did make an investigation but the trouble was that instead of the railway company changing their road to meet the plans and specifications, they changed the plans and specifications to meet the road. I happen to know that new plans and profiles were prepared. It took nearly half of the summer of 1913 to bring these things to completion. They made new plans and profiles in order to

meet the conditions and there are dozens and dozens of places—I think I am safe in saying hundreds of places—anyway, there are dozens and dozens of places, where the plans show a certain curvature while the actual curvature is much greater. I am informed that new plans have been prepared to meet these conditions. That is the character of the road. In every place where it was possible to do so they have used a seven degree curve and a one per cent grade. While I have never put a level upon this road myself, I can take the minister to places where the grades are greater than one per cent. If the minister will come with me, or if he will give me an engineer, I will tell him the places to look for them. He will find that there are grades greater than one per cent. I can take the minister to places where he can find four seven degree curves in a mile and one-quarter on a one per cent grade. I can take the minister to a place where he can find a swamp with about two feet of earth on the top of the bog and where he can run down a pole seven feet in the soft mud and no ditch on either side of the railway.

Mr. J. D. REID: Well, then, the railway is not completed.

Mr. CARVELL: It is completed; it is taken off the contractors' or the sub-contractors' hands, and the sub-contractor agreed to build the road. The sub-contractor was my own brother and I know what I am talking about.

Mr. J. D. REID: But the Government have not taken it over.

Mr. CARVELL: The sub-contractor has been paid off in full. I am not talking through my hat; I am stating the facts. The sub-contractor has been paid in full, the road has been finished to the satisfaction of the engineer, that is the condition of affairs. I am only pointing out to the minister the kind of road that he is going to take over, operate and upon which he is going to pay back to the province of New Brunswick and the company forty per cent of the gross earnings. I want the minister to consider whether he can run a train over that kind of a road and make any money out of it. If the minister will send an engineer, or go himself with me, I will take him to the place where the conditions exist which I am pointing out to him now. He can visit them himself and see whether I am stating the actual facts or not.

The next important point is with respect to the location. As I stated some time ago, when the scheme was first originated, the road was to run from Grand Falls to St. John. It was to be the outlet of the Grand Trunk Pacific traffic which was intended for export through the port of St. John. If my hon. friend will look at the statutes of 1912, chapter 48, The Railway Subsidies Act, he will find that the subsidy reads as follows, subsection 2 of section 2:

> For a line of railway from St. John to Grand Falls, N.B., exclusive of a railway bridge across the Kennebecasis river, at or near Perry Point, and two railway bridges across the St. John river, one at or near Mistake and one at or near Andover; in lieu of the subsidy granted by chapter 51 of 1910, section 1, item 12; not exceeding 228 miles.

The original subsidy provided for a line of railway from Grand Falls to St. John, and that was only a revote of the subsidy passed by this House in 1910, also for a line running from Grand Falls to St. John. If the minister will take The Railway Subsidies Act of 1913, chapter 46, section 2, subsection 4, he will find the following in place of the Act to which I have just referred:

> To the St. John and Quebec Railway Company, for a line of railway from Andover to St. John, N.B., exclusive of a railway bridge across the St. John river, at or near Mistake, and a railway bridge across the Kennebecasis river at or near Perry Point in lieu of subsidy granted by chapter 48 of 1912, section 2, item 2; not exceeding 200 miles.

In other words, this Government, in renewing the subsidy in 1913, cut out that portion of the road from Andover to Grand Falls. They have made it impossible to make connections with the Grand Trunk Pacific, and if they do not make connections with the Grand Trunk Pacific they can not pay for axle grease. The Intercolonial railway will lose, I believe, hundreds of thousands of dollars a year in trying to operate that road as a local institution. While it runs through a progressive, well-settled country, the most productive and fertile portion of New Brunswick, it would simply carry out the farm produce of that territory, because in that portion of New Brunswick there is practically no timber. It would only be for the use of the farmers, and running through a large portion of New Brunswick from Andover to St. John, or, as I believe they intended to go only to Westfield on the Canadian Pacific railway, they simply could not operate it except at a loss of hundreds of thousands of dollars. The only way it

was safe, either from the standpoint of the province or of the Dominion, was to carry out the original intention to run from Grand Falls down to St. John.

We protested against this proposition. I can tell you that we knew our friends in New Brunswick perhaps better than the minister did; we knew the hon. Minister of Marine and Fisheries (Mr. Hazen), we knew the hon. member for York (Mr. McLeod), we knew those gentlemen who were running the province of New Brunswick at that time, and in the year 1912 when this Parliament voted $1,000,000 to aid in the construction there was a protest, to which I shall refer later on. My hon. friend from Victoria and Madawaska (Mr. Michaud), through whose county this portion of the road ran, moved that at least $250,000 of this $1,000,000 be set aside to build a bridge across the St. John at Andover which would have to be built in order to make connection with Grand Falls. We did that because we did not believe that they intended to go to Grand Falls. The Minister of Marine and Fisheries in his blandest manner, and that is saying a good deal, assured the committee, for the House was in committee at the time, that it was not necessary to take any such step as that, that there was no doubt whatever that this road was going to Grand Falls, and he asked the committee to disregard the vapourings of the hon. member for Victoria and Madawaska, and the hon. member for Carleton. They were only throwing dust in the eyes of the people, they were only playing their own game of trying to defeat the construction of this road! This is what they have been firing in our faces for three or four years. Every time that we have pointed out the iniquities of these gentlemen we have been told that we are only trying to prevent the development of this work, that we are only trying to prevent the construction of this road, and every Tory paper in New Brunswick will come out to-morrow morning and say: Carvell is at his old tricks trying to prevent the construction of this railway. I know their game; I can almost hear it sizzling through the press gallery now. But we know what we are talking about. The Minister of Marine and Fisheries was in control at that time, and he opposed the amendment of my hon. friend from Victoria and Madawaska. The next day the Bill came up for third reading, and in the absence of my hon. friend I moved the same amendment, and we put the members on record, as you will find in the 'Hansard' of 1912. That was voted down. The next year, 1913, the very thing happened which we were afraid of in 1912, because when the Subsidy Bill came down, we found that that section from Grand Falls to Andover was left out, and, of course, it would not be necessary to build these bridges. Well, my hon. friend from Victoria and Madawaska (Mr. Michaud) got interested again, and he called the attention of the Minister of Railways to this fact, and he asked why they cut out the subsidy on the road from Andover to Grand Falls, 25 miles, and what it meant. The Minister of Railways practically told him they were going to make some sort of a trade for running rights over the Canadian Pacific railway for that distance, as will be found reported in 'Hansard' of June 3, 1913, columns 11672-11673. Then I asked the Minister of Railways if they were going to cut out the subsidy and did not intend to build the road, if he would agree that a certain proportion of the bridge money should also be withheld. The Minister of Railways said: 'Certainly, we will hold the bridge money.' Then I told him, in as polite language as I could, that I did not believe it, and I told him further that they would be back inside of a month for that money. Here is the emphatic statement of Mr. Cochrane—I will read the whole reference:

Mr. Carvell: The minister will remember that last session this Parliament agreed to lend $1,000,000 to the St. John and Quebec railway for the purpose of helping to construct three bridges. If this proposed agreement with the Canadian Pacific railway goes through, it will be unnecessary to construct the Andover bridge.

Mr. Cochrane: At present, anyway.

Mr. Carvell: Will the minister pay that $1,000,000 to the company or will he retain a part of it?

Mr. Cochrane: No, the vote is for three bridges and we should not have authority to pay it out for only two. We shall have to deduct a portion for the Andover bridge.

Mr. Carvell: I am glad to hear that statement. But I want to tell the minister that they will be here inside of one month to have that $1,000,000 voted for the two bridges, the Mistake and Kennebecasis; and more than that, the minister will give it.

Mr. Cochrane: The hon. gentleman may know more than I do, but the minister will not give it.

But, did he give it? Why, Sir, when you talk about $1,000,000, I must confess I did not know these gentlemen as well as I thought I did, for instead of wanting $1,000,000 they are back here now for $3,000,000, and they are going to get it. That is what I am afraid of.

Mr. MURPHY: Dash away with the money.

Mr. CARVELL: Yes, dash away with the money. I will tell my friends opposite where they are dashing this money away, and I want the acting Minister of Railways to be seized of all the facts of the case. Things have been travelling fairly rapidly in the province of New Brunswick over this Valley Railway question in the last three or four months. These gentlemen have a double subsidy of $6,400 a mile, and they have drawn every dollar which they are entitled to, and I think a good deal more. But, there again, I do not blame the Minister of Railways, because from my personal knowledge the Minister of Railways has held these people down just as tightly as he possibly could hold them, and I have personal knowledge that he has refused to pay them the money they wanted. It is true he is compelled to pay them according to a certificate handed into his department, but I do not think the Minister of Railways is in league with these gentlemen in any way, shape or form, and I believe that if this thing were left to the Minister of Railways it would be perfectly straight and aboveboard. I feel it is only fair to say that, in the absence of the Minister of Railways; but I must say it on account of the way he has treated me and the information he has given me, whenever I have gone to him for information.

I do not know that the over-payments on this subsidy amount to a very great deal anyway, because I believe that when this road is completed it will cost $21,400 a mile, and that is all it must cost to entitle them to the full double subsidy.

In addition to that, they have received a four per cent bond guarantee from the province of New Brunswick for $25,000 per mile, which makes altogether $31,400 per mile. When the original act of New Brunswick, 1910, went through, it was provided they could sell these bonds either in block or in smaller quantities, but of course they sold them in block, to the extent of the 120 miles. It was provided under that legislation that these bonds must not be sold less than 98, but when this crowd of shrewd Yankees, to whom they have handed over the province of New Brunswick, found they were having some difficulty in doing the proper amount of boodling on that transaction, they came back to the province of New Brunswick, and they promptly amended the Act for them and allowed them to sell the bonds at 95.

Mr. LEMIEUX: Who did that?

Mr. CARVELL: The legislature of New Brunswick did that. My hon. friend from York (Mr. McLeod) can tell you who was responsible for it.

Mr. GAUVREAU: Was he there?

Mr. CARVELL: Most certainly he was there. They allowed these gentlemen to sell these bonds for 95. That was away back in 1912. There was no necessity for selling New Brunswick four per cent bonds for 95 in 1912.

Mr. LEMIEUX: To the Yankees?

Mr. CARVELL: I will tell you about the Yankees later on. In the year 1909 or 1910, a company was incorporated in the province of New Brunswick, known as the St. John Valley Railway Company, composed of local people. I do not say they were capitalists, but they were good men anyway, and they represented both sides of politics; men who honestly wanted this road to be constructed. I want to tell you, Sir, that there is no road under construction or under discussion in Canada to-day that was needed more than this railway between Grand Falls and St. John. The Minister of Trade and Commerce is listening to me, and I am glad of it, because he knows this whole question. He knows the history of the people along the route of this railway; he knows the conditions there; he knows what the people suffered, because he has represented two of the constituencies along the route, namely, the counties of Kings and York, which are vitally interested in this matter. This portion of the province of New Brunswick has been settled for 125 or 130 years by the United Empire Loyalists, the finest stock I believe in Canada to-day. The settlers there had been closed up in the winter months, twenty-five or thirty miles away from railway communication, and they consequently suffered great hardships. This condition of affairs existed in portions of Kings, Queens, and York counties. There is no place in Canada where railway facilities are needed more than just along the route where this road is being built.

In the inception of this project everybody was working together, everybody was working for the common weal. As I have said, a company of local people was incorporated for the purpose of the construction of this road. But when the thing became almost a certainty, and it looked as though the road would be built, then you could see

something else commencing to work. The Minister of Marine and Fisheries, I have no doubt, will tell the House the rest of that portion of the story, because there is nobody better qualified than he to give the history of that aspect of the case. Suffice it to say that in 1910, a certain gentleman was imported from the United States, by the name of Arthur R. Gould. Instead of blaming Arthur R. Gould, I have an intense admiration for the man. He is a bright, shrewd, industrious Yankee, a man who could twist the Minister of Marine and Fisheries, and the member for York (Mr. McLeod), and the Premier of New Brunswick, all up together in balls and throw them over this building half a dozen times; a man who could mould and chisel these people just as he could a piece of putty; a man who says to these gentlemen, I want $25,000 a mile, and I want the right to sell the bonds at ninety-eight, and he gets the legislation; a man who could come back two years afterwards and say, I want the right to sell these bonds at ninety-five, and he gets that right; a man who could say to them, I want $10,000 a mile in bonds additional to what I have got, and I will negotiate this transaction through a Mr. Lisman of New York, and he gets that right; a man who did come back a few weeks ago and said: 'Well, legislation is a failing of mine, and I fell down and did not get the money; you had better grant me another $10,000 worth of bonds.' He got that also, so that he has now received $35,000 worth of bonds. He was not satisfied with the last issue at 4 per cent and he got them at 4½ per cent. If Mr. Gould is not entitled to some credit, I do not know who is. A man who can come to the province of New Brunswick and twist the Government and the Legislature of that province around his finger and bleed our people to the extent of four or five or six million dollars, is a man of some proportions. Why was Mr. Gould brought over? Before the election of 1911, we were determined that this road should be operated by the Intercolonial. My hon. friends had a wonderful leaning towards the Canadian Pacific railway. When this company was incorporated in 1910, nothing would do but an electric road. As Mr. Gould was the representative of the Canadian Pacific railway in the state of Maine, he was imported into New Brunswick, and became the only man on earth with whom my hon. friends would do business, and they gave him what he wanted. In 1911, Mr. Malcolm, a railroad builder who has built the International, a 112 mile railroad, on a bond guarantee of $8,000 a mile and a subsidy of $6,400 a mile, and who has financed the rest of that road himself, with the assistance of the owners and managers of the Toronto Mail and Empire, who are the men of means and who know how to handle their means, offered to take the bond guarantees and subsidies and build the road up to the standard existing at that time, which was the standard of the Transcontinental railway. He was, however, simply laughed to scorn by my hon. friend the Minister of Marine and Fisheries. The Government would not listen to him; they would hardly give him civil replies, and he was practically kicked out of Fredericton. In their opinion, this road must be given to Gould, and therefore they gave him an act of incorporation in 1910, at which date there were associated with him four other gentlemen, respected and responsible residents of the province of New Brunswick.

After the election of 1911, when this party came into power and saw visions of millions and of having everything in their own hands, the funny business commenced. A very important lawsuit has been going on in the city of St. John, where there resides a gentleman of the name of J. D. Seely, an honourable, upright, estimable gentleman, and a man of some financial ability. The only failing he possesses, so far as I know, is that he is a Liberal; and, of course, he had to be squeezed out, as it would not do to leave him in. This is how they got him out. My hon. friend the member for York, N.B. (Mr. McLeod), is given credit in the courts as being the gentleman who engineered the matter. Mr. Gould applied to the legislature for certain amendments to his act of incorporation. There is a rule in the Legislature of New Brunswick that notice must be given in the newspapers, &c., but they did not give any notice as to the real issue in the Bill.

Mr. McLEOD: Is that an Act of 1912?

Mr. CARVELL: Yes, chapter 18. The original Act was in 1910, chapter 52, which has sixteen sections. The purpose of the Act of 1912 was to amend the Act of 1910 and to add certain sections. Section 17, an unimportant one, was added; and then came the real fine Italian hand of my hon. friend the member for York, N.B., and of the Premier, according to sworn testimony

4 p.m.

given in the court at St. John last week. Section 19 reads as follows:

> No person shall after passing of this amending Act be a director of the company, unless he is a shareholder holding fifty shares of stock in the company, which have been paid in cash and not otherwise to be extent of the full par value thereof.

Unfortunately Mr. Seely did not meet those requirements, as he had not paid for his fifty shares in cash. Section 19, which is as follows, was added:

> The issued shares of the company which on the 10th day of April, A.D. 1912, had been fully paid up to the extent of the par value thereof in cash and not otherwise shall, on the date of the passing of this amending Act, constitute the whole of the issuing shares of the company.

This Act was passed on the 20th day of April, 1912, and provided that only those men who actually subscribed and paid up their money to the extent of $5,000 on the 10th day of April were eligible to be directors of this company; and, as Mr. Seely did not come within that provision, he was squeezed out. In St. John, sworn testimony was given that Flemming and McLeod engineered this matter. I do not know, because I was not there; I am only giving the sworn testimony as reported in a St. John newspaper. This is the way in which they did so. As this was a private Bill, these sections could not be added because notice had not been given. Therefore, they made a Government Bill of it; they were able to put the Bill through without notice and squeeze Mr. Seely out, and then Mr. Gould had the whole thing in his own hands. He, however, was afraid of trouble and tried to settle with Mr. Seely. In the first place, he gave Mr. Seely his note for $4,000, which he paid. Then he gave him the note of the St. John and Quebec Railway Company for $12,000. It is important to remember the different names, as they are so nearly alike that sometimes they get mixed up. This note was endorsed by the Quebec and St. John Construction Company. Mr. Seely sold the note to Mr. Nagle, a prominent gentleman in St. John. At its maturity, the companies refused to pay the note. Mr. Nagle brought suit, and the matter was tried out the week before last; the case was adjourned until yesterday, and I presume has been settled before now.

The point at issue in the court was that Mr. Seely obtained the endorsement of the Quebec and St. John Construction Company by some fraudulent representations. It is not denied that the note was given nor that Mr. Seely endorsed it to Mr. Nagle as a bona fide business transaction; but it is claimed that in some way the Quebec and St. John Construction Company were misrepresented when they endorsed the note, and they therefore claim that they were not liable. In this lawsuit some very important evidence became public. According to the Act, the Dominion subsidy was voted to the St. John and Quebec Railway Company—not to the railway, but to the company. The St. John and Quebec Railway Company was incorporated in 1910, its Act was amended in 1912 by the Legislature of New Brunswick, and it is the company which squeezed out the Canadian directors and left only the Yankees and a man of the name of Ross Thomson, who, I believe, was originally a Canadian, but was brought over here by Mr. Gould. It does not make very much difference who the directors of the railway company are, because they have not got anything. My friends talks about Mackenzie and Mann financing. Why, they are only in the infant class, in the kindergarten class, compared with these fellows in New Brunswick. The St. John and Quebec Railway Company, with the knowledge and consent of the New Brunswick Tory Government, assigned the stock over to a man by the name of—well, I have forgotten his name; perhaps my hon. friend from York (Mr. McLeod) can give it, as he is more familiar with these things than I am. At any rate, this man is a clerk in Mr. Gould's office. He assigned all the stock of the company, $2,000,000—all the bonds, all the subsidies, all the contracts with construction companies to build the road—over to the Quebec and St. John Construction Company. Now, the Quebec and St. John Construction Company does not have Mr. A. R. Gould as its president, but it does have Mr. A. R. Gould's son. And Mr. A. R. Gould's son and his American associates are the men who are getting our good money and taking it to New York, and the road is being built from New York. We cannot investigate the thing, because the money is all handed over in bulk to the New York concern, and the New York concern are doing the real trick. I think I have made good my statement that Mackenzie and Mann are only in the kindergarten class of finance as compared with these people. Because, while it is

alleged that Mackenzie and Mann, or the Canadian Northern railway—I do not know this, I am only saying that it is currently reported—assign their bonds and subsidies over to the Mackenzie and Mann Construction Company, yet the Mackenzie and Mann Construction Company live in Canada, and you can get at them and investigate them and know what they are doing. But the Tory party in New Brunswick hand over millions to an American concern who are doing their business in New York, and the books are kept in New York.

We are going to try to investigate this thing. I know we shall have a lot of trouble trying to get those books. I see that my very dear friend, Mr. Flemming, the premier of New Brunswick, has so far recovered from a recent illness that he is able to take a trip to New York, ostensibly for his health; but I think almost any member of the House, in view of the information I have given, can understand the real reason of that gentleman's trip to New York. And I have no doubt that if we ever get those books in court we shall find them doctored up in pretty good shape. But we will get them if it is possible to get them.

Mr. EMMERSON: Under what Act is the Quebec and St. John Construction Company chartered?

Mr. CARVELL: The Quebec and St. John Construction Company is chartered under the provisions of the Dominion Joint Stock Companies Act. I have the facts here, and, as my hon. friend has asked me, I will give them. I read from a synopsis of the letters patent, at page 47, I think, of the last report:

Quebec & St. John Construction Company, Limited.

Incorporated, May 10, 1912.

Amount of capital stock, $1,000,000.

Number of shares, 10,000.—Amount of each share, $100.

Corporate members.—Charles Austin Barnard, advocate and K.C.; Leopold Barry, advocate; Edward Denis Maguire, accountant; Woltomar Hector Huhn Hume, secretary; and Charles Francis Adams, stenographer all of Montreal, Quebec.

First or provisional directors.—Charles Austin Barnard, Leopold Barry and Edward Denis Maguire.

Chief place of Business.—City of Montreal, Quebec.

Objects of the company...Vide p. 4297, Canada Gazette, 1911-12.

It is safe to say that none of these gentlemen have anything to do with the company now. As I stated, the president is the son of Mr. A. R. Gould. I believe that Mr. Ross Thomson, who is acting in the dual capacity of secretary of the St. John and Quebec Railway Company and chief engineer of the road, is also a director of the Quebec and St. John Construction Company.

Now, we have found that up to the present time some $2,728,000 of the good money of the people of New Brunswick has been handed over to this Yankee concern to take to New York and do with as they have a mind to; and that something over $500,000 —I have forgotten the exact amount—of subsidies of the Dominion Government have been handed over to the same, and they have been building this tramway. It is alleged by Mr. Dugal, and I am satisfied he is able to prove his statement, that some of this money has not gone into the construction of the road. But, as I have said, that is a matter that will be threshed out before another tribunal. But to show that Mr. Dugal is not moving in the dark, to show that he has good reasons for the faith that is in him, I want to give to the House the actual estimate of one section of that road south of Fredericton. This we have absolutely, and know what we are talking about. They will tell you that the railway from Fredericton to Gagetown is the expensive part, because they are building it to a 0·4 per cent grade. It is true, they are building it to 0·4 per cent one way and to 0·6 per cent the other way, except in two or three places, where they have changed it. But they are following the river St. John, and the tide ebbs and flows on that river along that whole twenty-eight miles of railroad. It ebbs and flows above the city of Fredericton. So, if you put in enough crooks and turns you cannot fail to build a road with a low grade. But so crooked is this line that the first man to protest against it to this Government was the gentleman who was then member for York, now Mr. Justice Crocket. He made his protest in the form of a letter to this Government away back early in 1912. I read that letter in this House in the course of a debate which has been referred to before. Hon. members will find it in 'Hansard' of 1913, page 11677. When sitting in this House as representative of the county of York, that gentleman felt it his duty to apprise the Government of the actual condi-

tion of affairs. Now, I have here the actual progress estimates of that road down to the end of 1913, and no work has been done since then, for by that date the road had been practically completed. And remember, Mr. Speaker, it is not a difficult matter to find out what this road has cost, because it is under contract to three different contractors, and they are building the entire road ready to be taken over by the Intercolonial railway. The company furnishes rails and fastenings, ties, bridges, right-of-way, engineering and station houses. With these exceptions, everything that goes to make the completed road is being built by these contractors. The contractors for this particular portion are J. H. Corbett and Son. Mr. Corbett is a well-known contractor. He built section 1 of the Transcontinental; he is—either a contractor or a sub-contractor—sub-contractor, I think—on the Welland canal; a man who looms big in the railway contracting world of Canada, a man who knows exactly what he is doing and how to do it. Here is the progress estimate down to 1913:

Residency No. 11—Oromocto to Upper Gagetown.

	Actual.
Clearing, 77.37 acres at $40	$ 3,094 80
Grubbing, 6.28 acres at $150	942 00
Solid rock, 20,678 cu. yds. at $1.25.	25,847 50
Other material, 163,716 cu. yds. at 30c	50,314 80
Rock borrow, 2,184 cu. yds. at $1	2,184 00
Train haul, 12,703 cu. yds. at 40c.	5,081 20
Overhaul, 1,023,415 cu. yds. at 1c.	10,234 15
Track laying, 10.66 miles at $400.	4,264 00
Ballast, 19,200 cu. yds. at 40c	7,680 00
Concrete, 490.56 cu. yds. at $8	3,924 48
" streets creek, 300 cu. yds. at $8	2,400 00
Culvert excavations—	
Dry, 89 cu. yds. at 50c	44 50
Wet, 529 cu. yds. at $1	529 00
Fencing, 7,116 rods at $1	7,116 00
Gates, 45 pairs, at $7	315 00
Telegraph line, 11 miles at $100	1,100 00
Actual	$125,070 43

That makes a total of $125,070.43 for 10.7 miles of railroad. I have gone over this with a man who knows all about it, and I am going to give the House now a statement of what the company itself has furnished and what it will take to complete that part of the road:

Station houses on mud sills, 2 at $2,000,	$4,000
Plank for road crossings, 9 at 1,000 ft.	180
Road signs, 9 at $5	45
Cattle guards, 9 at $25	225
Water tank, 1 at	3,000
To complete fill at Street's Creek, 25,000 cub. yds. at 40c.	10,000
Passing sidings, 2 of 1,800 ft. long; common sidings, 2 of 500 ft. long, 4,600 ft.	$5,000
Right of way, $1,000 per mile	10,600
Sleepers, 30,000 at 40c.	12,000
Rails and fittings, 13,354 tons at $33	44,068
Bolts, spikes, etc., $500 per mile	5,260

In going over that I find there have been two omissions and, for fear my friends may find fault with me, I will give those omissions. I do not think the rails for sidings are included and, of course, the engineering is not included. The rails could not amount to more than $400 a mile; if you take the engineering and the rails together you could not add to the cost more than $1,500 a mile. The total cost, as I have it here, is $219,448.43; if you divide that by 10.7 you have a cost per mile of $20,509.20. If you add to that $1,500 a mile for engineering and rails for sidings you have practically $22,000 a mile. That company is getting $31,400 of our good money, excepting a little discount and some interest which they will pay on construction, and the Government of New Brunswick have given them $10,000 a mile in addition to what they have already received. They are building that ten miles of road for about $22,000 a mile. They have already cleaned up about $7,000 or $8,000 a mile in cold cash, and the Legislature of New Brunswick has just voted another $10,000 a mile to be put into the pockets of these Yankee and Canadian boodlers. This ten miles of road is giving them a profit of $18,000 a mile, or $180,000 for the ten miles.

Mr. J. D. REID: We were justified in paying double subsidy, were we not?

Mr. CARVELL: I am admitting that you were justified in paying double subsidy. I am satisfied that the Minister of Railways has been watching this matter as closely as it could be watched and I am satisfied that he has not paid out a dollar unless he has found figures in his department which have justified him in doing so. I would almost think, from the knowledge I have of the gentleman who represents the minister on this particular work, Mr. Taylor, that the figures are all right too. I know they have fooled Mr. Taylor; I know they have not given him correct information. I know that Mr. Taylor has not been able to report the true state of facts to the Government, but I do believe that he has been absolutely honest and above-board, and has tried to keep his chief properly informed.

Mr. J. D. REID: We paid only on Taylor's certificate.

Mr. CARVELL: I believe that. While I dare say Mr. Taylor's figures are incorrect, I am not blaming Mr. Taylor for it, because he would have to go to the railway company to get the figures or a great number of them. I am not arguing that the whole road can be completed as cheaply as this ten miles can, but I do say that the 117 miles will not cost $28,000 or $29,000 a mile. The company received not bonds but actual cash out of the bonds and subsidies of about $28,000 a mile, and they owe to-day $200,000 or $300,000 to their contractors. I am informed on the very best of authority that it will take $500,000 or $600,000 to finish that 117 miles of road. If I am right in saying that, in addition to the $28,000 a mile which the company have already received, this road will cost $500,000 or $600,000 before it is completed, and that the company owe their contractors $200,000, then there are $700,000 or $800,000 in cold cash which the people of this country have handed over to this gang of Yankees from New York, who are now coming back to the Legislature of New Brunswick and saying: give us more money or we will not finish this road. It is my duty, as representing the people through whose territory part of this road runs, to bring these facts before the members of this House; I would be a criminal if I did not do so. I am laying these facts before the acting Minister of Railways; I am laying them before the Minister of Trade and Commerce (Mr. Foster), a gentleman who, I am sure, will give this matter honest and serious attention; a gentleman who, I feel confident, is a juryman who has not been packed for the purpose of giving a false verdict, and who will consider this matter upon its merits only.

I am not going into the cost of this road because on another occasion that aspect will be dealt with before another tribunal. The particulars I have given my hon. friend can be verified by application to the railway company. I am not merely giving him the source of my information; I am giving him the document itself and he can go to the railway company, to their engineers or to James H. Corbett, and he will find out whether or not my figures are correct. I know that portions of this road will cost more than the figures given. I am familiar with the construction of this road from Woodstock to Centreville, twenty-six miles distant. It passes through my own constituency; through the homestead where I was born and where my mother and brothers live to-day; where I am every week of my life when I am in New Brunswick. I know every mile of it.

Mr. J. D. REID: Where are the ten miles of which the hon. gentleman is complaining?

Mr. CARVELL: It is residency No. 11, Oromocto to Upper Gagetown. I know that other portions of that road will cost much more than $28,000 a mile; I know that many miles have not cost anything like that amount. I know that the whole road from Woodstock north will not cost more than $28,000 a mile when finished. I know that the company has received $28,000 a mile from this Government and from the Legislature of New Brunswick in actual cash. I know that they owe the contractors $50,000 on that part of the road, and that it will take $50,000 more to finish it. I know that $100,000 is still unpaid on that twenty-six miles. I know that the Legislature of New Brunswick gave them money to pay that $100,000, which these people put in their pockets or paid out for political purposes, or for something just as bad. I know that certain sections of the road from Woodstock to Fredericton—my hon. friend from York, N.B. (Mr. McLeod) knows a good deal more about this than I do—have cost probably more than $28,000 a mile. I can tell my hon. friend just where the hard spots are as I made it my business to travel over that road a good many times last summer, and I know a little about a piece of work when I see it. I can tell my hon. friend that there are dozens of miles that did not cost as much as the road from Fredericton south. I am very anxious to see the figures and reports of the engineers as to what the road cost from Fredericton to Woodstock, and I can tell my hon. friend—and he can tell it to his friends in New Brunswick—that it is no use trying to pad the engineer's statements because practically all the road was sublet, and we have the Estimates given the sub-contractors. We know what the sub-contractors got paid for, so that if the Estimates are padded a certain company which my hon. friend would not like to see badly injured will have the pleasure of paying out a good deal of money.

Mr. McLEOD: What company is it that I do not want to see badly injured?

Mr. CARVELL: The Hibbert Construction Company.

Mr. McLEOD: I am not interested in that.

Mr. CARVELL: I did not say you were.

Mr. McLEOD: You insinuated it; you had better talk straight.

Mr. CARVELL: If the shoe fits my hon. friend, I have no objection to his wearing it.

Mr. McLEOD: If you want to say it, say it; but do not insinuate it, be a real man.

Mr. CARVELL: I would be sorry to see my hon. friend and I disagree, because heretofore, we have been agreeing very well on railway matters in New Brunswick. It would be a pity to spoil the entente cordiale existing between us.

Mr. McLEOD: I prefer straight talk.

Mr. CARVELL: I have another railway matter to refer to, before Mr. Speaker, leaves the Chair, on which I am sure my hon. friend and I will agree.

Mr. McLEOD: What name?

Mr. CARVELL: The Tobique and Campbellton. I am just giving my hon. friend warning. Do not let us quarrel over this, because we are going to agree on another matter.

I come now to the question of bridges. I told my hon. friend that in 1912 this Parliament voted a million dollars as a loan to the St. John and Quebec railway for the purpose of building three bridges, one was to cross the Kenebecasis river near Perry's point, another was to cross the St. John river at a place called the Mistake, and the third was to cross the St. John river above Andover in order to tap the Transcontinental. It was believed at the time that there would be a sufficient sum saved out of the construction of the railway proper to apply $1,000,000 to the building of these three bridges, and I have not the faintest doubt in the world that if the money received in the way of subsidies and bond guarantees up to the present time had been honestly applied, that $1,000,000 could have been spent on those three bridges. But then, Sir, there would not have been any election fund, no rake-offs. To build those three bridges would have taken the whole of the million dollars, and possibly some of these shrewd Yankees might have been compelled to put up a dollar of their own money. I do not know that it is any hardship to ask them to put up a dollar, because remember they own the road when it is completed, every spike, every sleeper, and every acre of land on the right of way. Under the contract, the Intercolonial gets 60 cents out of every dollar of gross earnings for running the road—no matter what it costs to operate. They have to pay the other 40 cents to the Government of New Brunswick to pay the interest on the bonds; after that interest has been paid, whatever is left goes to this company of Yankees. So they own the road absolutely and why should they not be asked to put up a dollar of their own money when we treat them so magnificently as we are doing. They come back here and ask this Parliament to grant $3,000,000 instead of the $1,000,000, and while it is true that the hon. Minister of Trade and Commerce stated in reply to the hon. member for Westmorland (Mr. Emmerson) that the matter has not been decided, yet it is stated by the members of the legislature of New Brunswick that the Government have agreed to give $3,000,000 to build these bridges. I have no hesitation in giving the name of the gentleman who said that. He is a son of that grand old man of New Brunswick, Sir Leonard Tilley, and this steal was jammed through the legislature of New Brunswick on the pledge that this Government had agreed to grant $3,000,000. Those bridges should be built. This road will be a curse, not a blessing to the people of New Brunswick, unless they are built. The road will be a financial millstone around their necks, which will drag them into eternal ruin unless it goes to Grand Falls and St. John, and gets business from the Grand Trunk Pacific. Let not the Conservative newspapers to-morrow say that I have tried to prevent the building of these bridges. I say they must be built, not only the bridge across the St. John river, but the bridge at Andover, because I look upon it as more important than the bridges down below. You could eliminate the bridges across the St. John river and strike the Canadian Pacific tracks at Westfield. You might make some arrangements for running rights that would not be very satisfactory, and get traffic into St. John, but you would not get it there at the right place; it would be at the west side instead of the east. But unless you cross at Andover and tap the Transcontinental you are out of it, and cannot do business of any kind. Therefore, this question of bridges goes to the very life of the province of New Brunswick. A bridge must be built at or near Andover in order to tap the Transcontinental. I want to ask the acting Minister of Railways, and to appeal to the Minister of Trade and Commerce, as a fair juryman, as to whether they

are willing, in view of what I have said about the manipulation of this company, and in view of the facts I have given as to what they are doing with this money—are they willing to hand over $3,000,000 to a gang of shrewd Yankees to take off to New York to build any kind of railroad and any kind of bridges they want? Is there any man in this House, Liberal or Conservative, —even the Minister of Marine and Fisheries —who would vote for such a proposition? I only want to say to the acting Minister of Railways: give this assistance,but do it yourself; keep your hand on the purse strings; do not hand over a dollar to the Government of New Brunswick, or to the Yankee concern; build the bridges under the Department of Railways and Canals. If the Hon. Frank Cochrane has the handling of it I believe it will be honestly done. It may be said that this breaks up the whole scheme. It does, to some extent, but it is necessary to break up schemes sometimes in order to protect the public weal.

Let the Department of Railways build these bridges and own them. Let the department allow the railway company to use them. It is true that they will be available for the Intercolonial railway later on, but charge up to the company something more than the sixty per cent of the gross earnings. Take a certain other percentage of the gross earnings to pay the interest upon these bridges, but do not, I pray you, hand over that $3,000,000 to this gang of Yankees to boodle with, and probably use one-third of it when the next elections come on in the province of New Brunswick. On this 117 miles already built there has been $3,200,000 or $3,300,000 expended and I have not the faintest doubt that a million dollars was absolutely squandered for the benefit of the Yankee manipulators and the Canadian manipulators as well. I have not any doubt in the world that at least $1,000,000 or $2,000,000 out of this vote will be absolutely squandered, and I have no doubt that if you vote $3,000,000 more for these bridges another million will be squandered by these people. While I never boil over with patriotism to any great extent, if there is any red blood in the veins of any Canadian, it will boil over at the thought of handing over $1,000,000 or $2,000,000 of the money of Canada to these Yankees to boodle with and to put away in their own pockets for their own purposes. I am almost ashamed to be a New Brunswicker when I consider the iniquitous story that is told, and is being written in our papers everywhere, with regard to the transactions of the Conservative Government of New Brunswick in reference to the St. John and Quebec Railway Company.

Perhaps I have been a little plain in my language, but no plainer than the necessities of the case demanded. I have tried to point out to the Minister of Railways and Canals the condition of affairs. I have warned him as well as it was in my power and, if this scheme goes through and if this $3,000,000 is handed over to this company, he cannot say that I did not warn him and the people of New Brunswick, who will pay interest upon this money, cannot say that at least one representative of the people did not warn the powers that be of the existing state of affairs and pray them for God's sake to try and keep control of this money and not hand any more of it over to a gang of Yankee swindlers.

Before I take my seat, and before you leave the Chair, Mr. Speaker, there is another railway matter in New Brunswick that I want to refer to, because it seems that the good Lord only knows where the end of these railway schemes is going to be in that province unless something is done to prevent them here and now. About the first act of the hon. Minister of Marine and Fisheries, after he became leader of the Government in the province of New Brunswick, was to guarantee bonds for a road in that province. I do not know what it is called, but it is in the county of Gloucester and it is a road going into some iron mines in which Mr. Drummond was interested. Between $300,000 and $400,000 of public money has gone there—absolutely gone. The road closed down, the mines are closed and we are going to pay the interest upon that money.

The next scheme was the Southampton railway, which my hon. friend and I agreed upon very nicely not so very long ago. The sum of $155,000 went into that, upon which I do not believe one-tenth of the interest will be paid by the Canadian Pacific railway. This has been handed over to the Canadian Pacific, and they are to operate it and pay 40 per cent of the gross earnings to the province, which is to pay the interest upon the bonds. It is a railway spur running through a country not well populated and with no business anywhere beyond a lumber mill, which is owned by a man named Pinder, a particular friend of my hon. friend from York. The railway

cannot do sufficient business to pay the cost of operation, and I would be surprised if one-tenth of the interest on these bonds will be provided for out of the earnings. We have to pay the interest on this $155,000.

If this scheme goes through, and I do not know how in the world we can stop it, we are responsible for the interest and you can figure it out for yourself. There will be 220 miles of road at $35,000 a mile and the total capital amount will be between $7,000,000 and $8,000,000. With the class of road that I have described to you, with its location, with the gang controlling it, I tell you, Sir, that the amount that we will have to pay will be simply enormous.

There is another railway scheme that I want to discuss here, because I want to exact a promise from my hon. friend the minister that he will not allow these people to make another big steal on this other railway deal. The minister would be surprised if he knew how close a call the people of New Brunswick had from a $150,000 steal being pulled off in connection with that enterprise. The Tobique and Campbellton railway extends from Plaster Rock up the Tobique Valley to a place called Riley Brook a distance of twenty-eight or thirty miles. Some years ago a few gentlemen, the leader of whom was Mr. John G. Stewart, got a charter from the New Brunswick Legislature to construct that road. They came here in 1910 and through the good offices of the hon. member for Victoria and Madawaska a Dominion subsidy was voted for the road. That subsidy was renewed in 1912. In the summer of 1913 the Department of Railways and Canals signed a subsidy contract with the railway, company of which Mr. Stewart was president, to construct the road. It was the ordinary subsidy contract calling for $3,200 a mile up to $15,000 a mile and then the ordinary graded scale beyond that amount. The company tried to get a guarantee of bonds from the provincial Government to an amount sufficient to build the road. They did not want very much; they would have been satisfied with $10,000 or $11,000 a mile. They were put off as the hon. member for York knows, and I have seen, within the last three weeks a letter written by the Premier of New Brunswick agreeing to guarantee these bonds to the extent of $15,000 a mile upon certain conditions.

Mr. McLEOD: That is what Mr. J. G. Stewart's Company asked for.

Mr. CARVELL: No, they did not.

Mr. McLEOD: Yes.

Mr. CARVELL: Well, we will not quarrel about that little point. I have seen a letter written by the Premier of New Brunswick agreeing to guarantee these bonds subject to certain conditions. To build this road will cost about $12,000 or $13,000 a mile. I have seen the plans and profiles. I have helped to figure them out and with my knowledge of the kind of railways that they build in New Brunswick, the Pinder road and some of these others, I am somewhat of an authority. I can tell you, Sir, that that road, according to the plans and profiles, can be built for from $12,000 to $14,000 per mile. Last year the charter expired. They went to the Legislature of New Brunswick and asked to have the subsidy renewed. They were opposed very viciously by certain interested parties but they succeeded in getting the charter renewed for one year. They had to commence operations before the 5th of April or their charter would lapse. They went to the Government and tried to get them to give them an agreement in the form of an Order in Council that they would guarantee these bonds in order that they could finance the undertaking and commence operations. But nothing was done except the imposition of conditions which it was practically impossible to carry out.

The annual meeting of the company was to be held in the month of January and when the company met a gentleman representing Mr. Flemming went to the company and suggested that it would be very wise indeed if they would postpone the annual meeting in order that they might confer with Mr. Flemming. It was represented that it would be very much to their advantage to do so. They then attempted to get control of the company by getting the stock away from Mr. Stewart. Mr. Stewart had put up $10,000 worth of this stock with Pinder's son-in-law in order to help the Southampton railway. But it was understood, so Mr. Stewart says, that it was to be used as collateral security for a loan which Pinder was to pay out of the proceeds of the bonds and which the holder of the note, or stock, says was not paid.

I leave that with them. Anyhow, they got that $10,000 away from Stewart; they would not have to get a very great amount outside of that to have control of the company. They got this matter put off until the 5th day of March, and in the meantime a member of the local legislature, rep-

resenting the county of Victoria, who was trying to prevent Stewart from getting a bond guarantee, was the means of having an execution, about fifteen years old, which was given to Stewart's brother as a matter of financing between them, issued in order to seize this stock. The execution was placed in the sheriff's hands and the stock was seized, and his brother was then somewhere in the West on railway construction, and the wires were set busy, and fortunately they were able to get hold of him, and before the sheriff could sell the stock he was sent instructions to quit, and told that Stewart never intended to press his brother on that claim. When the annual meeting was held on the 5th of March, the old company were in the position to elect their board of directors, and they elected two men from Grand Falls, who had not been on the board before, and started in to do business, and I am informed they did commence to work, and are now carrying on the work in order to hold their charter, although they have no bond guarantee from the local government.

So insistent were these people to get control of the charter, that when they could not get it by means of an old judgment, that never was intended to be acted upon, they then took the molasses method of getting it, and they sent a certain gentleman of the name of Edgar R. Teed—perhaps my friends opposite have heard of him—who lives in the town of Woodstock, to Grand Falls, and he pointed out to these directors that, being contractors, they could not be directors, and he thought they had better take a contract from the company to build the road and resign their positions as directors, and he would be willing to take their place on the board. If Mr. Teed got on the board of directors, then Flemming and his crowd would own the road; then they could have guaranteed the bonds for $15,000 a mile. They could have gone on and built it and played the same game they played with the Southampton road, and they could have pulled out at least $150,000, providing Mr. Johnson, the inspecting engineer, was not a little more particular than he was in the case of the Southampton road.

Mr. J. D. REID: He will not do any more inspection.

Mr. CARVELL: If he does it right I have no objection to him.

[Mr. Carvell.]

Mr. REID: He will not do any more.

Mr. CARVELL: The key of the situation is the subsidy contract in the hands of the acting Minister of Railways. So long as the acting Minister of Railways will not cancel that subsidy contract, then the boodlers down in New Brunswick cannot work out their scheme. All I ask him to do is to hold that subsidy contract until such time as we can have this matter straightened out. The province of New Brunswick ought to give a bond guarantee which, together with the subsidy from this Government would be sufficient to build the road. That is a portion of the country that really is suffering for want of railway communication, because it is well settled, and there are people living thirty miles away from a railway. The road should be built; the legislature of New Brunswick should guarantee these bonds for an amount sufficient together with the Dominion Government subsidy, to build the road, but neither Mr. Stewart, nor Mr. Teed, nor Mr. Flemming, nor any other man, is entitled to make a thousand dollars out of it. They did not pay any money into it. There has not been a dollar of private money put into railways in New Brunswick for the last twenty years. There was not a dollar of private money put into the Southampton road; not a dollar of private money put into the Drummond road; not a dollar of private money put into the Minto road, which is about the best of them all, and which came pretty near being honest; I think that was a pretty fair transaction. Not a dollar of private money was put into the St. John Valley railway, and they do not intend to put a dollar of private money into the road. So long as the acting Minister of Railways will retain control of that subsidy, then these people down in New Brunswick will not be able to make a steal out of it. I hope he will not cancel the subsidy contract; I hope he will hold it until after the next session of the Legislature of New Brunswick, and no matter who may be in power or who may be controlling affairs there then, I believe that some kind of an arrangement can be made by which these bonds will be guaranteed. I believe there can be something done by which this road can be built, and built honestly, and so that there will not be a steal of $100,000 or $150,000 made out of it, as would have happened if these explosions had not taken place in New Brunswick, and if Stewart had not been bright

enough to have had the subsidy contract signed by this Government last year. That is the only thing that saved another great big boodling transaction in building railroads in New Brunswick. Having pointed this out to the acting Minister of Railways, I am satisfied, as long as he is looking after the department, that he will see that nothing will be done to jeopardize the position of these people, who have been working on that road. I should apologize for that statement I have made; I believe they have put some of their own money into it, because they have done the engineering and surveying and are preparing the right of way. They are really to-day putting in their own money. I want to be fair and to say that; I think their intention is that the bonds and the subsidies will build it. I believe that up to the present time they have spent probably $15,000 or $20,000 of their own money, in an honest attempt to give the people of that country railway facilities, of which they are in much need.

If the acting minister will hold control of that, he will control the situation and there will not be any chance for any more schemes, and deals, and boodle, such as I have been describing this afternoon. I do hope that when the Legislature meets next year the atmosphere will be cleared, and the worst of them will be eliminated, and we will be able to have decent, honest, legislation in New Brunswick. We will then be able to guarantee these bonds to a reasonable amount, and to see that the road will be built under proper inspection, and that every dollar of the proceeds of these bonds will go into that road, and that the people living in that territory will get the long-deferred railway accommodation, which has been promised to them for so many years, and to which they are entitled.

I have spoken very much longer than I anticipated, Mr. Speaker but, as I told you, I may be called away from here at any moment to look after important matters in New Brunswick. I felt it was my duty to bring these matters to the attention of yourself, and of the House, and especially of the acting Minister of Railways. I have pointed out to him only the surface of the things that are taking place in New Brunswick; I have shown him the pitfalls, and I have pointed out to him where they might get another million dollars of his good money the same as they have our money in New Brunswick. I have pointed out to him the remedy, and I have asked him not to prevent the building of the bridges, not to prevent the building of the Tobique railway, but to keep control of these great works so that the boodlers cannot handle them, and so that the people of the province of New Brunswick, and the people of the Dominion of Canada as a whole, will have some protection for the money they are putting into these works, and so that we will not have a repetition of the horrible condition of affairs which has been existing in New Brunswick for the last two and a half years, and, I am afraid, to some extent, for the last five or six years.

Hon. J. D. HAZEN (Minister of Marine and Fisheries): Mr. Speaker, I trust that the acting Minister of Railways (Hon. J. D. Reid) and my hon. friend from York (Mr. McLeod), who is more particularly the object of this violent attack by the hon. member for Carleton (Mr. Carvell), will pardon me for preceding them in this discussion, because I have an appointment that may make it impossible for me to be in the House at eight o'clock this evening, when probably this debate may be resumed. If one did not understand the ways and methods of the hon. member for Carleton as well as I do, he would be surprised and puzzled; surprised at the strong character of the language used by him, and puzzled to find what good purpose the hon. member had to serve in bringing this matter to the attention of the House of Commons.

But it is a matter of no surprise to those of us from New Brunswick, who know the hon. gentleman so well, that he indulges in language of the violent character that he has indulged in this afternoon. We in that province are well aware that the more violent his language the less ground he has for the attack he is making. When the hon. gentleman has good grounds for an attack, he almost invariably couches it in language which for him is moderate in the extreme.

We might be puzzled to know what good purpose the hon. gentleman wishes to serve by bringing this matter to the attention of the House. I understand the hon. gentleman to acquit the Railway Department of Canada and the Minister of Railways of any blame in regard to this matter, and I also understand the hon. gentleman to admit that the subsidies paid to the St. John Valley Railway by the Department of Railways and Canals under the provisions of the Act, have not been overpaid; that they have been fully justified and that the road upon which the subsidies have been paid has cost a sum of money which justifies the Railway

Department in paying the amount of subsidy which it has paid. That being the case, many hon. members are no doubt at a loss to understand why my hon. friend brings before this House a matter which is largely of local concern and which should be dealt with by the province of New Brunswick. It would be a matter of surprise to us if we did not understand the character of the hon. gentleman, that he should bring before this House a matter on which charges have been made in the House of Assembly of New Brunswick and to investigate which a tribunal will be appointed in a few days under legislation passed by the Legislature of New Brunswick when those charges were made. Charges in connection with the St. John Valley railway of a serious character, involving the honour and the reputation of two members of the Government of New Brunswick were preferred during the recent session of the Legislature. The gentleman who preferred those charges, in the course of his remarks, exonerated explicitly and clearly every member of the Government of New Brunswick from them, with the exception of the Prime Minister and my hon. friend from the county of York, N.B. (Mr. McLeod), who now occupies a seat in this House. He moved that a committee of the House should be appointed for the purpose of investigating these charges, which were to the effect that money had been diverted from the use of the railway for the purposes of the two hon. gentlemen whom I have mentioned. It will be remembered that the legislature of the province of New Brunswick consists of forty-eight members, two of whom are in opposition to the present Administration. The Government did not accept the hon. gentleman's resolution, but moved an amendment to the effect that the matter be investigated by a royal commission to be appointed by His Honour the Lieutenant Governor of the province. They were impelled to take that course because they felt that the charges were of an extremely serious character; that, if a committee of the House were appointed, it would be composed almost wholly of supporters of the Government, and of friends of the hon. gentlemen who had been charged with these offences; that it would be far more in the public interest to have the charges investigated by an independent commission appointed by the Lieutenant Governor, consisting of judges of the highest courts of the land or of other leading citizens, and that such a commission would be far more apt to get to the bottom of the charges made, to inquire into them thoroughly and to make a fair and impartial report than would a committee composed mainly of supporters of the Government and of friends of the two members of the Government charged. I am not going into the merits of the question because I do not think this is the time or the place to do so. In my opinion we should wait until the commission makes its report before we condemn or justify the gentlemen who have been accused. At a very early stage of the recent session of the legislature, at a party caucus consisting of Government supporters, five members of the legislature were appointed a committee to investigate certain rumours and charges made in connection with the disposition of the St. John Valley railway. That committee was composed of five of the best men in the legislature; in fact, five of the best men in the province of New Brunswick. It consisted of Frank B. Black, a business man of Sackville, a representative from the county of Westmorland, a man of ability, knowledge and experience; of Mr. George B. Jones, a gentleman from the county of Kings, also a large business man who takes part in large affairs, and who has been extremely successful in his business: of Mr. T. J. Carter, K.C., of Victoria, of Mr. Leonard P. D. Tilley, K.C., of St. John, who has been referred to by my hon. friend in the course of his remarks, and of Mr. A. J. H. Stewart, a member from the county of Gloucester. A better committee could not be found in any legislature in Canada or anywhere else. Mr. Black stated in the House of Assembly, when this matter was under discussion, that, while he approached the subject with prejudice against Mr. Gould and against the methods adopted in the building of this railway, the result of a careful investigation of the books of the company, of the books of the provincial secretary's office and of all the different facts they were able to get together, convinced him that every dollar of provincial money that had been handed over under the provisions of the guarantee of the bonds and every single dollar of Dominion Government money paid under the Subsidy Act had gone into the construction of the road in a bona fide manner, and that, in addition to that, other funds had been spent in the construction of the road up to that time. My hon. friend from the county of

5 p.m.

York, N.B., (Mr. McLeod) is here to speak for himself and is well able to do so; he has defied his enemies and has said that there is no ground whatever for the charges made against him. The Prime Minister of New Brunswick has done the same thing. In view of that, would it not have been a course more consistent with the dignity of Parliament and with the proprieties of public life if my hon. friend had waited until this Royal Commission had thoroughly investigated the matter and made its report before bringing this matter before the House and scattering these charges broadcast over the country? In view of all these facts, if some people have been puzzled as to the reason why my hon. friend should bring this matter before Parliament at this time, those who know my hon. friend will not be surprised, because they know that he never misses an opportunity of vilifying and slandering those who differ from him politically, and of circulating stories about them irrespective of their truth or falsity.

I do not intend to follow my hon. friend in his story of the St. John Valley railway, as to what this ten miles has cost and that other ten miles has cost, because these are matters which will be investigated by the Royal Commission which will be named in a few days by the Lieutenant Governor of the province.

Therefore I do not propose at this juncture —I do not think it would be proper or right—to enter into a discussion of matters of that sort. So I content myself with stating what has been stated by Mr. Black as chairman of the House of Assembly. My hon. friend the member for York (Mr. McLeod) will make his statement for himself.

My hon. friend travelled far afield and engaged in a most inaccurate historical account of the St. John Valley railway. Under the circumstances, I may be pardoned if I say a few words with regard to the history of that enterprise. The St. John Valley railway, from the time I can remember up to the present, has been a lively subject of discussion in the province of New Brunswick. At the time when the confederation of the British North American provinces was mooted and the idea went forth that the Intercolonial railway, to bind together Nova Scotia, New Brunswick, Quebec and Ontario, was to be a part of the confederation pact and that the work would be proceeded with soon after Confederation, the general belief in the province of New Brunswick was—at least in that magnificent section of it that is watered by the St. John river—that that road would be built to the city of Quebec following the course of the St. John river to Grand Falls and Edmundston and on across the province of Quebec to the city of Quebec. That was undoubtedly the shortest route for the Intercolonial railway to take. In addition to that, it was much the cheapest route by which it could be built. But, owing to reasons which it would be useless to discuss now—probably the influence of our friends in Nova Scotia and along the lower St. Lawrence to some extent, and also the influence exerted by the British Government in favour of having the line of railway further removed from the border of the United States than the St. John valley as a precaution in case of war—the Intercolonial railway was built by the northern route along the Miramichi and St. Lawrence to the city of Quebec. That was an exceedingly great disappointment to the people living in the valley of the St. John. I may say for the information of those who do not know intimately the province from which I come, that about the oldest settled part of the province is the St. John valley. And not only that, but in that valley are many splendid farms. It has been estimated—and I think the estimate is within the mark —that the St. John valley alone is capable of providing for a population of at least two million having regard to the quality of the land, the lumber resources and other resources that it possesses. The people, while disappointed, looked forward to the time when a transcontinental line would be built, and believed that that line would be built down the valley of the St. John. The Canadian Pacific railway was built. It came across the state of Maine and struck the St. John river only about fourteen miles from its mouth. True, in later years the Canadian Pacific railway acquired by a long term lease what is known as the New Brunswick railway running along the St. John from Woodstock to Edmundston. But this left a large part of the St. John valley without the desired railway facilities such as were being provided in every direction including many districts and settlements that had not been to the front or flourishing when the St. John valley was the best part of the province. The result was that the St. John valley was seriously handicapped, it was losing population, its farms were depreciating in value—all because its people were a long distance from market and, being without railway communication, had

to reach market in the same primitive way as when the country was first settled.

Well, Sir, the hopes of the people were again uplifted when they heard of the building of the National Transcontinental, of the great scheme for building a road from the Atlantic to the Pacific entirely in Canadian territory. They confidently believed that the time had come, when, at last, they would be given those facilities which so long had been denied them, though they had been paying their quota to build railways in other parts of the country. Well, Sir, the National Transcontinental did not follow the valley of the St. John. Something has been said as to the route it did follow. It went from Grand Falls to Moncton, practically through the wilderness, whereas if it had followed the valley of the St. John it would have gone through a well-settled country that would have given it local support from the start, and it would have reached tidewater by a shorter route. In the language of my hon. friend from South Renfrew (Mr. Graham), speaking in this House the other night, it was not only an outrage that it did not go by the St. John valley, but it almost verged upon the criminal. With the completion of that road and with no railway communication along the valley, the people began practically to lose heart.

From the time I entered the legislature in 1899, and for years before, and down to the time when I became Premier of the province, the St. John Valley railway was made the sport of politicians. Everybody talked about it, but nobody took effective steps to build it. Before each election we would have statements made as to what certain politicians would do if they got back into power. But when they got back into power no effective steps were taken. In the session of 1909 a very large delegation from every part of the St. John valley came to the city of Fredericton —almost as large as the one we had here the other afternoon—and urged that steps should be taken to give the people the railway facilities enjoyed by other parts of the country. I felt, Sir, rightly or wrongly, that the time for temporizing or dilly-dallying with this project was past, and I made a clear, plain statement to the gentlemen who assembled on that occasion. I pointed out that the Government, of which Mr. Pugsley was the leader, had negotiated with Mackenzie and Mann but those negotiations proved abortive. The offer was for a guarantee of bonds for $15,000 a mile. But neither Mackenzie and Mann nor anybody else would think of building such a road for a guarantee of that sort. I told the delegation that I was prepared to pass legislation authorizing a guarantee of the bonds of the company to build a line of railway along the St. John valley to the amount of $25,000 a mile, if the Dominion Government would undertake, when the road was completed, to operate and maintain it as a part of the Intercolonial railway system, this to be done on the basis of 40 per cent of the receipts to the province and 60 per cent to the Dominion. This would save the province against the large interest charges which would have to be paid on the guarantee of $25,000 a mile. While I did not expect that for the first few years of operation the revenue from the 40 per cent would be sufficient to pay the full interest charges on the guarantee, yet I felt that after it had been running a few years and had developed business, the result would be that the province would be saved harmless and the people would get the advantage of this railway communication and we should have the absolute certainty of the road being operated because it would have to be operated by the Government of Canada as part of the Intercolonial railway system.

Mr. EMMERSON: The road between what points?

Mr. HAZEN: The road between Grand Falls and the city of St. John. One of the proposals made by the hon. gentleman who succeeded my hon. friend as premier was that the road should be built from Centreville to Woodstock as a part of the Intercolonial railway. No action, however, was taken on that suggestion. The delegation met at Fredericton and appointed a committee which came here to Ottawa and had an interview with the Government, placing before them the proposition to which I have referred. They met my right hon. friend, my hon. friend and colleague from the city of St. John (Mr. Pugsley) and other members of the Administration, and they came home full of hope that something would be done in that direction. Nothing was done for some time; no definite reply to the propositions made was received from the Government of Canada. But a little later—I think I am correct in saying that it was in the year 1910—the hon. member for Carleton, addressing a meeting held in the city of Woodstock, read a telegram or a communication he had re-

ceived from Mr. Pugsley stating that the Government of Canada would undertake to maintain and operate this road on the basis of sixty and forty per cent if it were built according to a certain standard—naming the standard, to which I shall refer later. That was further accompanied by a telegram, I think, received by the hon. member for Carleton from the right hon. gentleman who sits opposite to me, and who then led the Government, stating that he confirmed what had been said in the telegram of Mr. Pugsley. At the next session of the provincial House, the session of 1910, I introduced a Bill for the construction of a railway along the valley of the river St. John. Part 1 provided:

The Lieutenant Governor in Council is hereby authorized to cause to be made a survey of said proposed line of railway, namely, from Grand Falls, at a point on the line of the National Transcontinental railway, in the county of Victoria, via the villages of Centreville and Lakeville, in the county of Carleton, and through Woodstock, Fredericton and Gagetown to the city of St. John or to a point on the Canadian Pacific railway, near Westfield, in the county of Kings, or between Westfield and Welsford, in the county of Queens.

And so on, with other provisos. Part II of the Act provided that before any bonds should be guaranteed the company constructing the line should give a first mortgage to the Lieut.-Governor in Council. There was also a proviso that a deposit should be made by the company that would secure the Government against the payment of interest for three years after the construction of the road was completed. I understand that that has been lived up to.

Mr. CARVELL: Is it not a fact that any deposit that has been made comes out of the proceeds of the bonds?

Mr. HAZEN: That may be quite true.

Mr. CARVELL: Has Gould put up a dollar of his own money?

Mr. HAZEN: It will be established in the inquiry to be held by the Royal Commission whether Mr. Gould put up any of his own money or not. I can only repeat the statement made by Mr. Frank Black, the member for Westmorland, that every dollar of the bonds guaranteed for that section of road went into it, and other moneys as well. Section 11 of Part II of the Act provided as follows:

No such agreement shall be entered into with any company or corporation for the construction of the said line of railway or for the guaranteeing of the said bonds, and no such bonds or debentures shall be guaranteed, unless and until the Parliament of Canada shall enact legislation authorizing the granting of a subsidy in aid of the construction of the said railway, to the amount of not less than $6,400 per mile, and authorizing the entering by the said Government of Canada into an agreement with such company or corporation and with the Government of New Brunswick aforesaid, for the leasing of the said line of railway, when completed, with its appurtenances and rolling stock and for the operation, equipment, maintenance, upkeep and repair by said Government of Canada as part of the Government railway system of Canada, for a period of ninety-nine years, and for the payment by the Government of Canada to the said province of New Brunswick, or Government thereof, each year, during the said term of ninety-nine years, of forty per centum per annum of the gross earnings of the said railway as or in the nature of rental therefor. The amount of such rental shall be applied in payment of the interest on the bonds guaranteed by the province of New Brunswick, and if any surplus of such rental remains after paying the full amount of the interest upon such bonds and of all sums paid by the province for interest thereon, the same shall be paid to the company with whom the agreement shall be entered into for the construction of the said line of railway.

The letter of my hon. friend and colleague from the city of St. John and the telegram of my right hon. friend, to which I have referred, provided that the Government would undertake to operate the road if it were built up to a certain standard, and in drawing the Act I inserted a provision that the road should be built up to that standard. Section 16 of the Act provided:

The specifications for said railway and the contract between the Lieutenant-Governor in Council and such company, for the building of the same, shall require and call for the construction of a first-class trunk line of railway, with grades, not to exceed four-tenths of one per cent and to be ironed with rails weighing not less than eighty pounds to the yard, and shall provide that all bridges shall be of steel superstructure, with substructure of stone or concrete, culverts to be of masonry or concrete, being the description of the character of the road as set forth in a letter from Hon. William Pugsley, Minister of Public Works of the Dominion of Canada, to the secretary of the Saint John Valley Railway Company, dated the nineteenth day of June, A.D. 1909, and approved by Sir Wilfrid Laurier, Prime Minister of Canada, in a letter addressed to F. B. Carvell, M.P., dated the 28th day of January, A.D. 1910, and the said line of railway shall be built up to the before-mentioned specifications and standard, and shall be constructed, subject to the inspection by, and shall be built to the satisfaction of the provincial engineer or such other engineer or engineers as the Lieutenant-Governor in Council may, from time to time, appoint to inspect the same; and such contract shall also provide that such railway shall be equipped by the said company or by the Government of Canada, with proper and sufficient rolling stock.

That was in 1910, but no sooner was that Act passed by the legislature of New Bruns-

wick than my hon. friend the hon. member for Carleton and other members of the party to which he belongs went through the length and breadth of the country saying that the Government of New Brunswick had no intention of building this road because they were asking that it should be built up to a high standard, although that was the very standard laid down by the Government of which my right hon. friend was then leader. The hon. member for Carleton, in the course of his speech to-day, spoke as if the Government of New Brunswick, of which I was then premier, had not been sincere in its desire to build this road; that they had placed obstacles in its path. Let me tell him that it was the party to which he belongs that in season and out of season tried to burke the building of that road because they did not wish the local government of New Brunswick to have the credit of giving to the people of the St. John valley those railway facilities which they had so long been without and which they had so long desired. That Act was passed in the year 1910. It was found impossible to secure any contractors willing to build the road under the provisions of the Act up to the standard required, even with the guarantee of $25,000 a mile and the Dominion subsidy of $6,400 a mile.

Little more was said about it, and in June, 1911, as the representative of my province I went to London to attend the Coronation, on the invitation of the Government of Great Britain. While I was away my hon. friend Mr. Flemming, who was acting as Premier, entered into further negotiation with Dr. Pugsley, Minister of Public Works, with regard to the matter.

Mr. CARVELL: I know my hon. friend wants to give the historical record. Will he now deal with the legislation passed by this Parliament prior to his leaving for London in June?

Mr. HAZEN: That is the statute which my hon. friend said had such a vicious clause, which, however, he was unable to find.

Mr. CARVELL: Let us straighten this thing out. I am referring to the legislation of 1911.

Mr. HAZEN: I will treat my hon. friend with every courtesy and extend to him every proper latitude, but I do not propose to allow him to rise and make speeches while I am on the floor.

Mr. CARVELL: You will not give the facts; you dare not do it.

[Mr. Hazen.]

Mr. SPEAKER: I would like to say that in my judgment the hon. member is out of order in saying that another member dare not give the facts.

Mr. CARVELL: I wish he would do it.

Mr. HAZEN: When the hon. member talks about not daring to give the facts, shakes his fist, and loses his temper, he is at a very great disadvantage and is really doing injustice to himself more than to anybody else. I was going on to say that from that time down, I had very little, if anything, to do with the negotiations regarding the St. John Valley. I arrived back in Canada a day or two after the Dominion elections were announced. I had met my right hon. friend (Sir Wilfrid Laurier) in London, and he left for Canada a week or two before I did. From the time I heard the House had dissolved, I was in the midst of the general elections and was soon after requested by my right hon. friend and leader to take a seat in the federal Government.

In regard to the standard of this road, it must be built up to a proper standard, as I believe it is going to be one of the greatest links in the chain of through communication to be found anywhere in Canada. Not only will it connect at Grand Falls with the Grand Trunk Pacific, but I believe before many years' time you will find a road running from Andover across the state of Maine to the Quebec bridge, which, in conjunction with the St. John Valley road, will be the shortest means of communication from the city of Quebec to an ocean port in the Maritime provinces. Work in that direction has already been begun. When that road has been completed—and some day it undoubtedly will be—and when the Valley railway is connected with it and is also connected with the National Transcontinental railway at Grand Falls, as it will be, and with the great amount of local traffic that will be developed in the splendid country through which it passes for almost its entire length from Grand Falls down to the sea—I believe the road will be one of the greatest trunk lines of communication in Canada, and therefore it is desirable that it should be built up to a high standard of excellence. My hon. friend from Carleton says it is not being built up to that standard. My information is to the contrary. I am informed that when the contract was entered into with Mr. Gould, having regard to the

carefully prepared estimates of the road made by David Maxwell, a civil engineer of large experience who has worked under both Governments in Canada—it was found that the $25,000 and the $6,400 would not be sufficient to build the road up to the proper standard. Every one of us knows that railroads cost enormous sums of money compared with their cost a few years ago. Parts of the Grand Trunk line through the centre of New Brunswick cost over $100,000 a mile, and that the average cost was well up to $70,000 a mile. In the present case, the road is being built with 80-lb. rails; with steel, stone and concrete bridges; proper grades, proper ballast, and with everything necessary to fit it for being in the future a trunk line of railway. My hon. friend says that it is not being built up to that standard. All I can say is that the work is being carefully inspected as it proceeds by Mr. Taylor, on behalf of the Dominion Government—a most competent engineer—and also by Mr. Maxwell, on behalf of the provincial Government, and that no sums are paid out except on the certificates of those engineers. I, of course, do not possess the great engineering skill and science which is so eminently possessed by my hon. friend from Carleton, N.B., in common with knowledge on pretty nearly every subject that is brought up in the House; but I think it will be found on investigation that the men who are charged with the responsibility of seeing that the road is built up to the proper standard are carrying out their duties faithfully, and that the road, when completed, will be very satisfactory. I would have had the estimate of Mr. Maxwell here had I known earlier that my hon. friend was going to bring this matter before the House. He kindly gave me notice, which I only received at a quarter to one to-day, when I could not lay hands on the estimate; but I remember that it was found that the guarantee and the bonds would not be sufficient to build the road, and that further money would have to be obtained. The company was given authority to issue bonds to the amount of $35,000 a mile, $25,000 of which was to be guaranteed by the Government of the province. Before the Government entered into this contract with Mr. Gould for the purpose of building this road, they had what appeared to them satisfactory assurances from a banking house in the city of New York. They made inquiries regarding the standing of this banking house from different banks and institutions in New York, and they were all of a highly satisfactory character. The gentleman representing this firm came before the Government and said he was prepared to advance without any provincial guarantee the sum of ten thousand dollars a mile, and gave his guarantee and undertaking to that effect. As the time went on, he was forced to come before the Government and say that in view of the money stringency that was prevailing in the United States and everywhere else, he was unable to carry out his guarantee. It was found that to bring action against him on his guarantee was impossible, and therefore the Government of the province in order to get the road completed were compelled at the last session to guarantee bonds to the extent of a further $10,000 a mile. That is entirely exclusive of the bridges which have been referred to this afternoon. In order to bring that road by the shortest route into the east side of the city of St. John, in touch with Courtenay bay and the new harbour improvements being carried on there, bridges have to be constructed, one across the St. John river, at some point below Gagetown and another across the Kennebecasis river at Ferry Point. Then the road will follow the valley of the St. John down to The Mistake, or thereabouts. After connecting with the Intercolonial it will go on to Courtenay bay over the Government railway. Those bridges will be very expensive. In addition to these another less expensive bridge will have to be built crossing the St. John river on the east to the west side in the neighbourhood of Andover, in the county of Victoria. After the change of administration in 1911 the representatives of the province of New Brunswick came to Ottawa, and placed their case before the Government for consideration. They put forward that the Government had entered into an agreement to operate this road as part of the Intercolonial railway system, thereby recognizing the advantages of that road to the country. That being the case, they asked, in order to secure the completion of the contract that the company had entered into, that the Government would guarantee the loan that was required to construct the bridges along the route. They had an opinion from Mr. Maxwell that these bridges would cost possibly $1,000,000 or in that vicinity and, acting upon that opinion, which they believed to be correct, I am very glad to say that my colleagues of the Government agreed to guarantee for a period of fifteen

years the interest on the bonds of the bridges. It was provided in the Act that after fifteen years the bridges should be credited with the earnings of the road in proportion to the cost of the bridges as compared with the cost of the road when it was constructed. Doubt arose as to whether this amount was sufficient to build these bridges. The result was that the provincial government engaged the services of Mr. Monsarrat, an eminent bridge expert who was employed in connection with the construction of the Quebec bridge. Mr. Monsarrat found that at the point on the St. John river where it was proposed to erect the bridge, the point where it should be erected geographically speaking, one would have to go hundreds of feet down to get a sufficient foundation. At Mistake they went down 120 feet and found no foundation and I believe it was estimated that the foundation would have to be put down to a depth of 260 feet. He reported that the site was impossible but he located another site at Durham wharf and he found that a foundation could be obtained there at less depth, that it was practicable to build a bridge at this place and that it could be built at a cost of $2,063,000. The bridge at the Kennebecasis was estimated at $500,000.

The Government of New Brunswick again came to Ottawa and asked the Government of Canada if they would not render further assistance. The matter was taken up and considered by the Government and I believe that the Government is willing, not to guarantee the bonds of that bridge, but to build the bridges and give the use of them for fifteen years free of rental subject to the conditions that are contained in the Act which passed this House two years ago. I see no reason, speaking for myself, why the Government should not do this. They have recognized the necessity of this railway up the St. John valley, they have recognized the principle of assisting in the construction of these bridges and they believed, when they were willing to guarantee the interest on a million dollars for fifteen years, that it would enable the bridges to be completed. Now that they have found that these bridges will cost a larger sum of money, I think it is a fair matter for favourable consideration that the Government shall agree to build the bridges out and out, that the railway shall use them for fifteen years and that the arrangement in regard to the proportion of the cost of the bridges to the whole road which is embodied in the Act passed in 1912 by the Parliament of Canada shall be applied after that.

The speech of the hon. member for Carleton might be read in two ways. To a certain class it could be said: The hon. member for Carleton is entirely opposed to having these bridges built at all. Is the hon. gentleman sincere and candid in the statements which he has made to the House to-day? Is the hon. gentleman not still playing the game that he has played for so many years of trying to prevent the Government from coming to the aid of this road, and to the aid of the province and making provision by which these bridges shall be built and without which the rest of the road is an impossibility? The hon. gentleman has also referred to the question of the connection at Grand Falls. There is no doubt in the world that there will be connection at Grand Falls with the St. John Valley railway. The only doubt about the matter in the mind of the Minister of Railways and Canals is whether it will be necessary to build a bridge across the river and to build twenty-five or thirty miles of railway, or whether the same result can be attained without any such expenditure by obtaining running rights from Andover to Grand Falls over the existing line of railway and which, in large measure, would be paralleled if a new line were built. A year ago there was no doubt, and there is no doubt to-day, but that the railway known as the St. John Valley will connect at Grand Falls with the Grand Trunk Pacific and be in a position to receive from that railway western freight at Grand Falls to be hauled over the road and shipped out of the port of St. John, and also to carry freight from the port of St. John to Grand Falls.

Not content with talking about the St. John Valley railway, my hon. friend has also made a further reference to the Southampton railway, a road that is now under investigation, and to investigate which a gentleman has been appointed by the Railway Department. The hon. gentleman made some unfounded statements even in regard to that road. The province originally, when I was premier, guaranteed the bonds of that road to the amount of $10,000 a mile. It was thirteen miles in length. But we did not guarantee those bonds until the Canadian Pacific railway had agreed to enter into a contract to maintain, equip

and operate the road and pay a rental of forty per cent of the gross earnings therefor and until I had in my possession the report of their traffic manager to the effect that the road would earn such a sum of money that with the division of the rental at forty cents on the dollar there would be quite sufficient to pay all the interest on the bonds guaranteed by the province and leave a surplus in addition.

The hon. gentleman has also made reference to a railway line extending from the Intercolonial railway to the Grand falls on Nipisiguit river. A guarantee of $15,000 a mile was given by the provincial Government. That line has been in operation during a number of years, and the province has not been called upon to pay a dollar in consequence of that guarantee. The road was built for the purpose of opening up the great iron deposits at and near the Grand falls of the Nipisiguit. These deposits were operated by the Canadian Iron Company, with which Mr. Drummond was connected, and large quantities of ore have been taken out and shipped away to the markets of the world. Employment has been given to a large number of people and quite a thriving town has been built at Grand Falls.

The hon. gentleman speaks as if the money had been thrown away. Every member in the House of Assembly voted in favour of it. Everybody regarded it as a good business transaction; not only did it develop this property, but the province got royalties on the iron that was taken out from the mines. While the mines may be temporarily closed down, I feel that they will shortly be operating again and I am sure that the province will not be out of pocket in consequence of that policy which was approved of by every member in the House of Assembly, Liberal and Conservative alike. I will venture to say that the hon. member for Gloucester (Mr. Turgeon) will not assert that it was improper for the Government of New Brunswick to guarantee the bonds of that railway. He knows the place, he knows the value of the deposits, he knows the nature of the road, he knows how thoroughly and well it is built; and I hope the day is not far distant when the improvements now going on in Bathurst harbour being completed, they will be able to ship the iron ore at Bathurst and not be compelled to take it so much farther Newcastle, as at présent. Further, I hope that in the near future we shall have a smelter established at Bathurst, where the iron will be treated, thus giving employment to a large number of people.

I feel, Mr. Speaker, that I should not have trespassed so long upon the time of the House, as the matter of the Valley railway has been discussed for several years here by my hon. friend from St. John (Mr. Pugsley), by my hon. friend from Carleton (Mr. Carvell), by other hon. gentlemen, and by myself. Little, if any, new light has been thrown on the subject by what has been said here today. I cannot help expressing my regret and the pain I feel that my hon. friend from Carleton, for the purpose of making an attack upon the Premier of New Brunswick, whose case will soon be under consideration by a high tribunal, and who represents the same county in the Legislature that my hon friend represents in this Parliament, should have made the uncalled for suggestion that by going to New York, as he has gone this week, he is going for the purpose of trying to cover up and conceal some transaction in connection with the Valley railway. The Hon. Mr. Flemming has been a very sick man. Three or four years ago, when I was in the legislature with him he had an illness very similar to that from which he is now suffering, and for months he was in a very bad state of health. He has been exceedingly ill this year; he has for a long period been confined to his room, and for part of that time confined to his bed. Under these circumstances, my hon. friend from Carleton (Mr. Carvell) might have been a little more generous, a little more magnanimous, a little more imbued with the feeling of fair play, and of appreciation of the fact that even our adversaries in politics should be treated with some degree of fairness and decency, than to make the unprovoked attack he has made on Mr. Flemming, alleging, practically in effect, that Mr. Flemming's trip to New York, where he has gone to consult a specialist, is for some improper purpose in connection with the Valley railway.

I feel that it is not necessary for me to go into the details of the construction of the railway, which have been referred to by the hon. member. I shall leave that matter where it is, believing and hoping that all the facts in connection with it will be submitted to the public, so that they may judge of the charges that have been made.

If the statements made to me, not only by Mr. Black, but by other members of

the committee, the statements made to me by individual members of the Government, the statements made to me by gentlemen in whose judgment and honesty I have always had confidence, are true, then the investigation will show that not a dollar of money has been diverted from its proper purpose, that every dollar of public money voted and handed over has gone into the construction of the railway, and that the province of New Brunswick and the Dominion of Canada are getting good value for the assistance they have given to that very necessary public work.

Mr. PIUS MICHAUD (Victoria, N.B.): I desire to say a few words, Mr. Speaker, on this Valley railway question. I must congratulate my hon. friend from Carleton (Mr. Carvell) on giving his views so forcibly to this House. I cannot agree with the Minister of Marine and Fisheries (Mr. Hazen) that my hon. friend from Carleton used vulgar language in telling certain stories. There are circulating in the province of New Brunswick to-day stories which I am afraid will be found to be true, and that is why some of our friends opposite do not like these stories to be repeated in this House before they are proven. I assure the House that the question of the Valley railway is the great question in the province of New Brunswick to-day. We are not satisfied with the construction of that railway at the present moment. The building of the road is entirely in the hands of the Yankees, and while we love the Yankees as neighbours, we do not love them when they come into our country to do work that we should do ourselves. We had some very good advice from the Minister of Marine and Fisheries, when he came to my town a couple of years ago and told us to keep away from the Yankees. He told us that, as we were neighbours with the Americans, we would probably be tempted to deal with them, but he warned us to have nothing to do with them. I ask this House why Mr. Gould, instead of a Canadian, has the contract for this Valley railway. I shall give an answer, and I think that answer will be accepted. Mr. Gould's head office is in Presqu' Isle, in the state of Maine, and there is where he keeps his books and conducts his correspondence. To-day there are before the Legislature of New Brunswick charges that money has been improperly spent on that road, and the question is how we are going to reach the books of Mr. Gould in order to prove the charges. A Royal Commission will be appointed soon, but I ask hon. members, under what authority can we reach these books? I do not see any.

At the upper end of the St. John river is the town of Grand Falls, which is supposed to be the terminus of the St. John Valley railway. But subsidies have been voted to build the road only as far as Andover, twenty-five miles from Grand Falls. The whole point is that the road should be built to Grand Falls in order to compete with the Canadian Pacific railway and connect with the Transcontinental railway. If that road is not built as far as Grand Falls, we shall never have any competition along the St. John valley. Grand Falls is developing very rapidly; we have great water-powers there and new industries will come in; we are buying lands all around the town, and we are preparing to erect pulp and paper mills. The St. John valley is the most fertile valley in the Maritime provinces, and indeed in all Canada. We have on both sides of the river the very best soil, and the people are progressing rapidly. There is no reason why that part of the road between Andover and Grand Falls should not be built at the present time, along with the rest of the railway. But there is one reason which is not openly stated, and I think I shall not be mistaken if I give it to the House. There is another great railway corporation interested in this Valley railway, and we know why Mr. Gould has been hired by it to construct the St. John Valley railway. This railway connects with the Transcontinental railway at Grand Falls, and is going to take much traffic from another great corporation which runs from St. John, N.B., through Grand Falls, and out to the Pacific coast. The Minister of Marine and Fisheries spoke of railways across the state of Maine, and I was surprised to hear him make that allusion. I do not believe he was sincere when he did so. Why a road across the state of Maine in order to reach Quebec? Have we not, at the present time, a road practically finished from St. John to Quebec or Lévis? But that is not the road which the Canadian Pacific railway wants to be built; it does not satisfy the Canadian Pacific railway. The Canadian Pacific railway wants a line independent of the Transcontinental railway or the Intercolonial railway—a line of its own. In order to have a line of its own it is obliged to cross the state of Maine. The

St. John Valley railway is being built entirely with Canadian money upon the bond guarantees of the provincial Government and the subsidies of this Government; not a cent of American money is invested in it. The people of New Brunswick are not satisfied with this railway, as it is not being built to a proper standard. When my hon. friend the Minister of Marine and Fisheries said that my hon. friend from Carleton was not satisfied with this road, he was right. We are ready to criticise it in order to have a better one, if possible. There are charters for many railways in the province of New Brunswick, for roads which should be built and which are not being built. I know all that is going on in regard to the road from Plaster Rock to Riley's Brook. It is not being built because the members of the company are Liberals and not Tories. That is the whole story. The company made application to the provincial legislature last year and again this year; but because certain parties are in the company, the provincial Government have no faith in them. I am sorry that during the last two or three years there have not been more Liberals in some of the railway companies in order to protect the public treasuries of the country.

At six o'clock, the House took recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill No. 142 respecting the Pacific, Trans-Canada and Hudson Bay Railway Company. —Mr. Douglas.

Bill No. 97, to incorporate the All Red Line Railway Company, title changed to The Labrador, Quebec and Southern Railway Company.—Mr. Fripp.

THE ST. JOHN VALLEY RAILWAY.

Mr. MICHAUD (resuming): Mr. Speaker, when you left the Chair at six o'clock I was about to show the members of this House the importance of building a railway between Riley Brook and Plaster Rock in the county of Victoria, N.B. The provincial Government has refused to guarantee the bonds for the construction of this railway, for many reasons. I have already cited one or two reasons, and I wish to give a couple of others. There seemed to be a great objection to the members of the company which was to construct the road. The provincial Government look only to their own political friends. The members of the company are to-day building the road, or a part of it, at their own expense; they are putting their own money into the project with the hope of ultimately getting assistance from the provincial Government. I understand that they have what we call a subsidy contract with the Dominion Government, and I hope that the Minister of Railways will make this contract good in order to encourage the construction of this road. Every possible effort was made to prevent the construction of this railway line and I am sorry to say that without the aid of the provincial Government nothing can be done for some time. This road, if it is built, will run through the best parts of the province of New Brunswick. It will follow along the Tobique valley, one of the most fertile districts in the province. I saw wheat growing there five feet high; other kinds of grain are successfully grown. They grow good hay there, and at the head of the Tobique river are probably the best lumber limits in Canada. A railway line from Riley Brook to Plaster Rock is certainly needed.

Some reference has been made to the Southampton railway. I am not going to touch that subject at all, except to say that this railroad has been built for a certain amount of money and it is said that the contractors have made a big sum out of it. I was told that the St. John Valley railway, now under construction, is not much better built than this Southampton railway. If that is the case, the contractors are making quite a profit in its construction. I am glad to say that the members of the Legislature of New Brunswick have consented to vote $10,000 a mile in order to finish the work of the Valley railway if all this money goes into the construction. The road in its present condition, and if finished as started, will not be satisfactory to the country. I am glad to say that the members of the Opposition in the provincial Legislature, Mr. Dugal and Mr. Pelletier, have given their consent to this subsidy, and I am sure that they are to be congratulated on what they have done. The hon Minister of Railways told me last year that the railway from Andover to Grand Falls—that is the continuation of the Valley railway—was not to be built immediately. I cannot understand why a part of this road should not be built; it is just as important as the building of a road in any other part of the province. There are at the upper end of the province of New Brunswick a number of rapidly-rising towns. We have at Grand Falls the greatest water-power in Canada; we need better transportation facilities, and this

road should be built as far as that town. We are told that we can have running rights over the Canadian Pacific railway from Andover to Grand Falls, a distance of twenty-five miles, but that will not be satisfactory; we want a road of our own. The province has voted money to build this road; why have running rights over the Canadian Pacific railway for such a short distance? I am glad to notice that the Minister of Marine and Fisheries has promised a bridge at Andover; this bridge will be much needed if we are to build this road as far as Grand Falls.

In closing, I desire to say that this Valley railway has been the occasion of a great many discussions in this House and in the provincial Legislature of New Brunswick, but we have obtained very little satisfaction from what has been done so far. I hope that the road will soon be completed not only as far as Andover, where it will branch out to the state of Maine, but also along the St. John river as far as Grand Falls.

Mr. H. F. McLEOD (York, N.B.): In the few remarks that I shall address to this House with regard to the matter under discussion, which got before the House I know not how—I believe the hon. member for Carleton (Mr. Carvell) was entirely out of order—I wish to confine myself to my memory of the facts, of which I have a general knowledge—of the facts and otherwise, chiefly otherwise, that have been brought before the House by the hon. gentleman who has preceded me. I sometimes wonder, when the hon. member for Carleton addresses the House, as he does very often, whether he himself actually believes what he, in hysterical tones, states to this House.

Some hon. MEMBERS: Order, order.

Mr. SPEAKER: I do not think the hon. gentleman is out of order. If he had said that the hon. member did not believe what the hon. member presented to the House, he might have been out of order; but I do not think that in saying what he did he was out of order.

Mr. McLEOD: I sometimes wonder, Mr. Speaker, whether the hon. member for Carleton actually himself believes the violent and vicious statements that he makes in this House.

Some hon. MEMBERS: Order.

Mr. McLEOD: If he does, then I can only say that my sympathy goes out to the perverted mind and the dishonest intellect that allows him to make such statements.

Some hon. MEMBERS: Order.

Mr. OLIVER: Mr. Speaker, is that remark in order?

Mr. SPEAKER: I do not think the words 'dishonest intellect' are exactly in order.

Mr. McLEOD: May I explain what I mean by the words 'dishonest intellect'? It is a perverted frame of mind: it is a state of mind which the hon. member gets himself into, believing that no man on the other side who differs from him politically can have an honest conviction or can pursue an honest course. I do not wish to follow the hon. member in the violent assault which he has made, but I do say that any man who, standing in his place on the floor of this House, is unable, by reason of the unfairness of his mind, to come to believe that any member holding different political views from his has not honest, straightforward, manly views—that man has a dishonest intellect, and is unable to give an honest view on any political situation.

My hon. friend the Minister of Marine and Fisheries, in his discussion of this matter, has gone into the early history of the St. John Valley railway, as we understand it in the province of New Brunswick. I shall not follow him in the detailed and specific outline of that proposition. May I say this, though, that for many years the St. John Valley railway was a football for politicians in the province of New Brunswick. We came into power in New Brunswick in 1908, and with no promise given to the people of that province—as my hon. friend will admit—to build a line of railway along the valley of the St. John. We did recognize, however, that for many years there had been an insistent demand—a demand founded upon right, and upon all that makes for the prosperity of the country—from the people of the St. John valley, for a railway there. At the time of Confederation we looked for such a line to be built, and we looked more hopefully still when the National Transcontinental railway was talked of. We expected that the line would be built where geography said it should be built. If we believe the statements made by the hon. member for Carleton, N.B., since he has had a seat in this House, he should be the most valiant exponent of the rights of the people in the St. John valley. When the National Transcontinental rail-

way was being exploited, and when there was a desire all over the province for that road to be built down the valley of the St. John, the Liberal party called a convention. Mr. Porter, from the parish of Andover in the constituency of my hon. friend from Madawaska and Victoria (Mr. Michaud)—a true Liberal and a gentleman who had the interests of the province of New Brunswick at heart—moved a resolution at that convention that the National Transcontinental railway should go not across the wilderness of the province, but down the valley of the St. John. My hon. friend from Carleton from party expediency and in order, as he said, not to embarrass the Liberal Government at Ottawa, made that resolution still-born.

Mr. CARVELL: My hon. friend does not know what he is talking about; no such thing ever happened. I say that what the hon. member says is not true; he is misinformed, and I want him to take it back.

Mr. SPEAKER: Since the hon. member for Carleton denies the truthfulness of the statement, the hon. member for York is obliged to accept his statement.

Mr. McLEOD: By parliamentary usage I am obliged to accept his statement, but will my hon. friend deny that Mr. Porter of Andover proposed a resolution at that convention that the railway should come down the valley of the St. John?

Mr. CARVELL: No, I will not.

Mr. McLEOD: More than that, Mr. Porter's resolution was still-born in that convention, was it not?

Mr. CARVELL: No.

Mr. McLEOD. Did it reach the convention?

Mr. CARVELL: Yes.

Mr. McLEOD: No, it did not.

Mr. CARVELL: I say it did.

Mr. McLEOD: It was called off, and my hon. friend was the chief executioner of that resolution.

Mr. CARVELL: That statement is false, and I want my hon. friend to withdraw it.

Mr. SPEAKER: I would like to say to the hon. member for Carleton that after the withdrawal by the hon. member for York, the hon. member for Carleton is certainly out of order in still declaring that he made a false statement.

Mr. CARVELL: Mr. Speaker, I want to tell my hon. friend that he is entirely misinformed; no such thing ever happened.

Mr. SPEAKER: The hon. member for York is bound by parliamentary rules to accept the hon. member for Carleton's statement.

Mr. McLEOD: Undoubtedly I am bound by parliamentary rules, and I propose to be during the few remarks I have to make. I accept, by parliamentary usage, the statement made by my hon. friend. The hon. member for Carleton has admitted that such a resolution was prepared by Mr. Porter of Andover; but did it pass the Liberal convention? Did it, my hon. friend? It did not, and yet the province of New Brunswick stood as a unit absolutely in favour of the St. John Valley route. What happened to that resolution? Had my hon. friend lost his influence with the Liberal party in New Brunswick? Did he exert his influence to put that resolution through the convention, or did he not? He is on the horns of this dilemma: either he did not and was therefore opposed to that route; or he had lost his weight and influence with the Liberal party in the province of New Brunswick.

He must decide between these two horns of the dilemma in which he finds himself. We did not get the Valley railway on that occasion. It was not the responsibility of the Conservative party that we did not get it. The responsibility lies with hon. gentlemen opposite and lies at the door of my hon. friend from Carleton and in other places. We came into power in 1908, we were unpledged and unpromised in regard to this road, but we did have at our door the responsibility of providing adequate railway transportation facilities for the province of New Brunswick. There came to us, as the hon. Minister of Marine and Fisheries has said, not from one county, but from many counties, gentlemen of both political parties urging us to give them those transportation facilities so long denied them by hon. gentlemen opposite. We were then the Conservative Government in the province of New Brunswick. There was in power then at Ottawa a Liberal Government supported by the hon. member for Carleton. It needed, as was stated on the floors of the Legislature by a gentleman of the Liberal persuasion from the county of St. John, the conjunction and the united forces of a party at Fredericton and a party at Ottawa to make this thing a success.

The hon. member for Carleton, at a meeting in Woodstock, read a letter. The letter, fortunately, is embodied in a statute of the province of New Brunswick. He read in the city of Woodstock a letter from the hon. member for St. John City (Mr. Pugsley), then Minister of Public Works, in which he indicated the kind of railway that he would be willing to take over and operate as a part of the Canadian Government railway system. My hon. friend knew when he read that letter that he specified a kind of railway that it was impossible to provide with the aid that the province had given and the Dominion subsidy. The Premier of New Brunswick then, the Hon. Mr. Hazen, had said that if the Parliament of Canada would take over and operate the road the province would guarantee the bonds for $25,000 per mile. My hon. friend the member for Carleton read in the city of Woodstock a letter from Mr. Pugsley in which he said that he would take over and operate such a line if it was built with a 4 per cent grade, with concrete bridges and culverts and up to the standard of the National Transcontinental. So, in 1910, having in mind the guiles and wiles of the gentlemen opposed to us, we passed an Act guaranteeing the bonds of the St. John Valley railway for $25,000 a mile provided the road was built to a standard of 4/10 per cent grade, and with concrete or stone culverts and bridges. We did that because we knew that the road, with the aid in sight could not be built up to that standard.

My hon. friend this afternoon, in the course of the hysterical, wild remarks that he made, said that the Government of New Brunswick had held off, had tried to hold up this railway, and had tried to hinder it in every way. Absolutely the reverse is the truth. We honestly went into that project with the idea of building the road. We knew that our friends at Ottawa, then in charge of the Government of this country, did not want that road built by a Conservative Government in New Brunswick. We knew that every obstacle that could be placed in the way of building the road by a Conservative Government would be placed by my hon. friend from Carleton and my hon. friend from the city of St. John who is not now in his seat. My hon. friend from Carleton stated, I think I am right although I am speaking from memory, on many platforms, that the road could be built for $31,000 a mile.

Mr. CARVELL: The kind of a road you are building now—yes.

[Mr. McLeod.]

Mr. McLEOD: I think I am right in stating that the hon. gentleman said that the road could be built for $31,000 a mile. I regret that I have not the contract before me, but, speaking from memory, our contract provides that there shall be a maximum grade of one per cent going west, and that there shall be from the city of Fredericton to St. John, where the heaviest traffic goes, a maximum grade of 4/10 per cent. Am I right?

Mr. CARVELL: No.

Mr. McLEOD: I am right.

Mr. CARVELL: Four-tenths going east and six-tenths going west.

Mr. McLEOD: Four-tenths going to the sea; that is what I said. The hon. gentleman will admit that this is a very high class road. If there was one thing that impressed me more than another while I heard the hon. gentlemen for Carleton discussing this matter this afternoon, it was that he was presenting the most pitiable indictment that could be framed against the National Transcontinental railway in New Brunswick. There has been built through the virgin wilderness of the province of New Brunswick, through the uncut timber regions, the crown lands of the province, through the revenue-producing timber area, a road from Edmundston down to the seaport of Moncton which never saw the sea. If my hon. friend will speak honestly as a man he will tell me to-day that that road stands there as a monument to a crime. Will he say so? He will not speak because he knows that that railway, built from Edmundston across the virgin wilderness of New Brunswick to the seaport of Moncton, which was never a seaport and never will be, is a monument to a crime. Had I been in his place, I would have been man enough, I would have loved the province I grew up in enough, I would have been independent enough to have stood up in this Parliament for the old province of New Brunswick, settled by loyalists as he said. I would have been man enough, party or no party, to have stood up for a line where it ought to have been built—down the valley of the St. John, settled, as he says, by good, old, loyal stock.

Mr. CARVELL: If my hon. friend will turn up 'Hansard' for 1905, he will find that in the first speech I ever made in this House I was doing exactly what he says he would have done.

Mr. McLEOD: How did you vote?

Mr. CARVELL: You cannot find it on record anywhere that I voted against the road going down the St. John valley.

Mr. McLEOD: Nor can it be found on record anywhere that the hon. member (Mr. Carvell) ever moved in this House that the road should come down the valley, because he never did it. I admit that the hon. member was in favour of the Valley road; he could not be anything else.

Mr. CARVELL: Then, what are you talking about?

Mr. McLEOD: You know what I am talking about. Living as he does in the St. John valley, my hon. friend in his heart—I think he has a heart—could not oppose the railway coming down the valley. I have every regard for him; I have nothing to say about him except politically. My hon. friend had it in his heart to do the right, but actually to do the right is another thing. My hon. friend is a man of courage in elections, and I believe he possesses some bulldog pertinacity; but he did not have enough of the old stock in him to go against his party. That is the whole thing. The dominant side of his party was against him, and he did not have enough of the big fist to stand up and be a real man against his party, for the province and for the St. John valley. That was the trouble with him. We fought our little fight; we came to Ottawa. I myself came to Ottawa during the dark days of the St. John Valley railway, when the Liberals were in power. We came here, and the Hon. William Pugsley received us with that charming manner with which he receives everybody—with that graciousness of spirit that always characterizes him. I believe that he in his heart was in sympathy with the St. John Valley railway, but he was not in sympathy with the Tories building it; he did not want them to get the credit. We negotiated with him off and on, from time to time, with indifferent success; and then came that happy moment in September, 1911, when the Lord delivered them into our hands. Then we came to deal with gentlemen who had a friendly interest in the building of that railroad. I myself came to Ottawa and interviewed the hon. Minister of Railways, who is not now in this House, I, acting for the Government of New Brunswick, entered into a contract or agreement to lease for ninety-nine years the road; and to-day the hon. member for Carleton (Mr. Carvell) said: Why, they actually changed the statute. Well, we did. We did not want to build across New Brunswick a line like the National Transcontinental railway, which cost $102,000 per mile—some of it went into the road. We did not want to build that kind of a line, but we did want to build a line better than the Intercolonial railway, and better than the Canadian Pacific railway in New Brunswick, and we entered into a contract or agreement to lease for ninety-nine years the St. John Valley railway, to be operated by the Government of Canada as part of the Government railway system. It is a road constructed to the maximum of a one per cent grade going West—

Mr. CARVELL: Going both ways.

Mr. M LEOD: But a maximum of ⅒ per cent grade going from the city of Fredericton to the port of St. John, where the heavy traffic would be. This afternoon my hon. friend made a great many ex parte statements, which he said were deduced from his own knowledge. He is a politician of some merit, and he says he has gone over this road and knows it. I think I may speak for the sixty-two miles in my own county, which I know better than he ever will, as I have been over it more than he ever will, and I have examined its grades and know its curvatures. I have done more than that; I have sat as a member of the Government of New Brunswick, and I know that when my hon. friend (Mr. Carvell) makes the statements he made this afternoon, he states what is absolutely beyond the fact. Save only the National Transcontinental railway, there is no better line of railway constructed in Canada, built to a higher standard, or constructed more exactly to specifications, than the line of railway down the valley of the St. John, from Woodstock to the city of Fredericton. We do not exceed at any one point on that line a maximum grade of one per cent.

Mr. CARVELL: Yes, you do.

Mr. McLEOD: We only reach that maximum in two instances in the sixty-two miles. I heard my hon. friend this afternoon exonerate Mr. Taylor, the Government engineer appointed by the Department of Railways and Canals to supervise the estimates and to supervise that railway. I heard my hon. friend state that Mr. Taylor was a gentleman of repute. Am

I right? Mr. D. F. Maxwell is also an engineer of repute.

Mr. CARVELL: I did not say that.

Mr. McLEOD: I say so; do you deny it?

Mr. CARVELL: I have not said so yet.

Mr. McLEOD: I know that, too. Mr. D. F. Maxwell has no connection with the St. John Railway Company; no connection with the St. John and Quebec Railway Company; no connection with the Quebec and St. John Railway Company; he is employed by the province of New Brunswick. I observed, in the discussion this afternoon, that the hon. member for Carleton, in one of his wild moments, said that $1,700,000 had been sent away to New York to the Yankee boodlers.

Mr. CARVELL: It is $2,700,000.

Mr. McLEOD: You said $1,700,000.

Mr. CARVELL: I was wrong if I did; it was two millions.

Mr. McLEOD: I took your word for it that it was $1,700,000, and that was an error of judgment on my part. The hon. member stated, then, taking what he says now, that $2,700,000 had been sent to these Yankee boodlers and carried away to the city of New York. Am I right?

Mr. CARVELL: You are not very far from the truth.

Mr. McLEOD: Well, I was only one million dollars out, taking the hon. gentleman's own statement. Does my hon. friend seriously propound that proposition to this House, or does he not?

He observed also that the St. John and Quebec Railway Company had floated the bonds guaranteed by the province of New Brunswick at 95 in the city of London in 1912. He is a little in error; they floated them at 96 and a fraction, which price in 1912 was pretty good for guaranteed bonds. If my hon. friend knows anything about finance, he must know that guaranteed bonds sell at from three to four points lower than straight bonds of a province. Every one knows that. When they got 96 and a fraction for these bonds, not 95, which is a minor error on the part of my hon. friend, they sold them at a mighty good price and were mighty lucky to sell them then. Any man who has to do with finance knows that he could not sell those bonds now; that he could not have sold them six months afterwards. The depression of the money market in all parts of the world had come, and tightness of money had made it impossible that any bonds, no matter how good they were, could be sold at a profit in the markets of the world. My hon. friend knows that; yet he went into hysterics this afternoon because, as he said, they sold the bonds at 95. Then he said that they took $2,700,000 to New York to these Yankee boodlers. As a matter of fact they did nothing of the kind. Before those bonds were given, before a single dollar went into the hands of the men who had the contract to build that road, arrangements were made with the Prudential Trust Company of the city of Montreal, which I think is a reputable concern, by which all the proceeds of the sale of those bonds, which, as he says truthfully, were guaranteed en bloc, were to be paid into the Prudential Trust Company and to be paid out on the certificate of an engineer of the province of New Brunswick and on the authority of an Order in Council of that province. Therefore not a single dollar of the $2,000,000, or the $1,000,000, whichever he likes, went to the city of New York or to any other place in the United States, but remained in the city of Montreal in the Dominion of Canada in the hands of the Prudential Trust Company to be paid out only on the authority of an Order in Council. Does my hon. friend deny that?

Mr. CARVELL: I certainly do. My hon. friend surely knows that the company got $2,700,000, which was handed over to the Quebec and St. John Valley Railway Company and taken to New York.

Mr. McLEOD: The St. John and Quebec railway had a contract from the province of New Brunswick, which they let to the Quebec and St. John Construction Company. This company also had their office in the city of Fredericton, and they also could not draw a single dollar from the treasury except by an Order in Council of the province of New Brunswick. My hon. friend need not attempt to draw a red herring across the trail or to speak about sending the money to Yankees. When my hon. friend referred to Arthur R. Gould as a down-east Yankee, a man who could twist myself, the hon. Minister of Marine and Fisheries and the present Prime Minister around his finger, I wonder what created the animosity in his mind against that gentleman.

9 p.m.

Mr. CARVELL: I have none whatever. I admire him.

Mr. McLEOD: Yes. Mr. Arthur R. Gould is a man who goes ahead with things, who not only does things in the St. John valley, but is interested in cheap power, as my hon. friend knows. Not long ago he applied to the town council of Woodstock, which is my hon. friend's home, to be allowed to bring cheap power to that town. My hon. friend was there with his big fist up fighting as hard as he could for his company, but Mr. Gould got in even against the competition of my hon. friend's company. That is the whole story.

Mr. CARVELL: My hon. friend is wrong only to the extent that Mr. Gould did not get in.

Mr. McLEOD: My information is that, notwithstanding every effort of my hon. friend to preserve his own high-priced company, he did get in.

Mr. CARVELL: He did not get in.

Mr. McLEOD: Although I am neither a prophet nor the son of a prophet, I venture to predict to my hon. friend that within six months Mr. A. R. Gould's Aroostook power will be driving his company out of business.

My hon. friend referred to the fact that we had entered into an arrangement by which, under the operation of the St. John Valley railway, the Intercolonial should take 60 per cent of the gross earnings to pay the upkeep and the maintenance of the road, and 40 per cent should be paid to the province of New Brunswick to take care of the interest on the bonds guaranteed. My hon. friend asserted that 40 per cent would not pay for the axle grease that ran the road, if it was a local road. About half an hour afterwards in his argument he said: Why, this road belongs to the St. John and Quebec Railway Company; they own every inch of the right of way; this province has guaranteed the bonds of a road that belongs absolutely to the St. John and Quebec Railway Company. Watch my hon. friend twist. He says that the 40 per cent would not pay the interest on the bonds; that it would not pay for the axle grease. Yet the St. John and Quebec Railway Company does not get a single dollar until the 60 per cent is paid and until that 40 per cent pays the interest. Where does my hon. friend find himself? When he says that the 40 per cent will not take care of the interest, he means that, as an asset, the St. John Valley railway is absolutely valueless to the St. John and Quebec Valley Railway Company. Then he turns around and says that they have that great asset, which fifteen minutes before he said was valueless.

Now I come to the point that is interesting to my hon. friend from Victoria, N.B. (Mr. Michaud), and interesting also to my hon. friend from Victoria and Carleton, as I presume it is going to be. My hon. friend from Carleton this afternoon, in tones that might well have suited a more dramatic occasion, said that it was much better that this road had never been built than that these bridges had not been built. We have heard, not now only but for years, since 1910, that the intention of the Government of New Brunswick was not to build that road to the port of St. John nor to continue to a point on the Transcontinental at or near Grand Falls. My hon. friend expressed grave doubts as to whether that road would be built to Grand Falls, and he cited the fact that the subsidy was not granted from Andover to Grand Falls. That is true; and the reason why the subsidy was not granted is that the route from Andover to Grand Falls has not yet been located or approved by the Department of Railways and Canals. Does my hon. friend know that the Government of New Brunswick has entered into a contract with the St. John and Quebec Railway Company? And does he know the terms of that contract? I speak from memory, but I state it correctly when I say that that contract provides that the road shall be built from a point on the Transcontinental at or near Grand Falls following as closely as may be the valley of the St. John river down to the Mistake in the county of Queens crossing the St. John river at or near the Mistake and the Kennebecasis river at or near Perry's Point to join the Intercolonial railway at or near Rothesay. Do I quote it correctly? The hon. gentleman knows I quote it correctly. He knows as well as any one in New Brunswick knows that we have entered into a contract to build this line from the National Transcontinental at Grand Falls to St. John, carrying the through traffic, if it may be, not through the wilderness of New Brunswick, but bringing it down by a shorter route to the port of St. John? Of course he knows it, and he sits quiet because he knows I state the facts. May I point out to him that we have also a further project in our mind? We have in mind the building of a line of railway, from Andover, from the boundary line, across the state of Maine by the shortest route, making connection

with the transcontinental lines and bringing the traffic of the West down to the port of St. John and also to St. Croix and L'Etang in the near future, by a line more than one hundred miles shorter than any now in existence. My hon. friend asserted here this afternoon that he had never seen the specifications of this road.

Mr. CARVELL: I did not say that; I said plans and profiles.

Mr. McLEOD: I think my hon. friend said he never saw the specifications. If he says he did not, I will accept his word, but hon. members of the House know what he said.

Mr. CARVELL: I was referring to the plans and profiles.

Mr. McLEOD: The hon. gentleman said 'specifications.'

Mr. CARVELL: I may have used the word, but what I had in mind was the plans and profiles.

Mr. McLEOD: I shall not undertake to place my word unsupported before this House in regard to the quality of the road. My hon. friend from Carleton did venture to place before the House his unsupported testimony as to the grades and curves of this road. I might say there is on that St. John Valley railway a maximum grade of one per cent in very few instances. When estimates came before the Government from Mr. Taylor, the Dominion Government engineer, and from Mr. Maxwell, the provincial Government engineer, not one dollar was paid to that company until the monthly progress estimates were in, and even then we did not pay them the whole of the progress estimates, but all the time, at least when I was a member of the provincial Government and I believe since, we paid them only five-sevenths of the money actually expended on the road. And, notwithstanding that my hon. friend has said, that neither Mr. Gould nor his company has put one dollar into that road, the fact is that we have only paid five-sevenths of what the Dominion and provincial Governments' engineers stated had been actually put in the road. The only exception is that we did pay them the actual cost of the steel rails and steel bridges. Thus, at this moment, so far as the 117 miles now under construction and practically completed is concerned, we have paid only five-sevenths of that money.

Mr. CARVELL: Was that inclusive or exclusive of the Dominion subsidy?

[Mr. McLeod.]

Mr. McLEOD: Exclusive. I stand here on my responsibility as a member of this House, knowing what I am talking about —some gentlemen do not—and I say we paid them five-sevenths only except that we paid them the actual value of the steel rails and the steel bridges.

Mr. CARVELL: And they got the Dominion subsidy besides that.

Mr. McLEOD: They got the Dominion subsidy when they established to the satisfaction of the department here that they had earned it, and not until then.

Mr. CARVELL: My case is pretty nearly made out.

Mr. McLEOD: Not at all. Then we reached the point where we had guaranteed the bonds; we had authorized by the legislation of 1910 in the province of New Brunswick, the issue of bonds not for $25,000 a mile, but for $35,000 a mile. We were to guarantee $25,000 a mile; but my hon. friend, if he is fair, will admit that in 1910 times were buoyant; money was easily borrowed in the money markets of the world, and everybody knew that it would be very easy to finance $10,000 of second mortgage bonds of the St. John valley railway. F. J. Lisbon & Company, of the city of New York, concerning whom we had the very finest reports, guaranteed to us that they would finance the second mortgage bonds. But there came in this country, as there comes at times in every country, a period of money stringency, and second mortgage bonds unguaranteed could not be given away. Then came that time when we handed over, as my hon. friend says, $2,000,000 more to the boodling gang. What should we have done? We had guaranteed $25,000 a mile; we were receiving $6,400 a mile in Dominion subsidies, and we were face to face, not with a railway the cost of which exceeded the estimates, but a railway lacking completion because we had not money to provide the amount of the estimate of $42,000 or $43,000 a mile made by our engineers. Should we let the matter stand, or should we see the project through? The men who ruled the destinies of the province of New Brunswick decided that there was only one thing to do. Here was the road to which they had contributed $25,000 a mile; for which they had a subsidy for $6,400 a mile. Let my hon. friend note this. the National Transcontinental railway was built, as he says, at a ½ per cent grade. My hon. friend did not mention that they had

a pusher grade of 1¾ per cent at Wapski, in the county of Victoria.

Mr. CARVELL: It is only one and one-tenth.

Mr. McLEOD: It is more. My hon. friend admits that that road has a grade of one and one-tenth per cent and cost $102,000 a mile, and he says that our road should be built for $31,400 a mile. Examine it where you will, inside and outside, you find the same result: absolute heresy; absolute attempt on the part of the hon. member to make political capital where he has no facts to back him up.

I want to make one little reference to the great bridges with regard to which my hon. friend almost got down on his knees and wept. My hon. friend says that he is anxious that those great bridges should be built; that unless they are built the construction of the line is a waste of money. Do I understand my hon. friend right when I apprehend that he said that?

Mr. CARVELL: No, I did not go that far; I said that it was necessary to build them.

Mr. McLEOD: I think the hon. gentleman went farther.

Mr. CARVELL: You can put it any way you like.

Mr. McLEOD: I will put it fairly. My hon. friend said that it is necessary to build these bridges. In connection with the bridge which crosses the St. John river at the Mistake, we have the report of Mr. Monsarrat, probably as capable a foundation bridge engineer as we have in this land, who says that bridge will cost $2,063,000 if it is an engineering possibility at all. I am frank enough to say to this House—and I do not speak for any party, I speak only for myself—that I believe the proper way to enter the port of St. John is not by crossing the St. John river at the Mistake and Kennebecasis but by double-tracking the Canadian Pacific railway to the west side. My hon. friend the Minister of Marine may not agree with me; I do not think he does; but I have opinions of my own, and I do not care who agrees with me and who does not. But we have contracted to take that railway into the port of St. John across the St. John river and across the Kennebacasis by Rothesay and the Intercolonial railway, and we are going to fulfil the contract. We have another bridge to build across the Kennebecasis at Perry's Point, which will cost more than $500,000. My hon. friend says—mark the inconsistency of it, Mr. Speaker—that those bridges are absolutely necessary, and yet he believes that the Minister of Railways should give no aid to them.

Mr. CARVELL: I said: let us build them ourselves, and not hand the money over to Yankees.

Mr. McLEOD: The contract has been let, and it includes the bridges.

Mr. CARVELL: It has not.

Mr. McLEOD: My hon. friend knows that the St. John and Quebec Railway Company have had the contract for the line, including bridges.

Mr. CARVELL: No, it has not.

Mr. McLEOD: My hon. friend either knows that or he does not know what he is talking about. I know that a contract has been let for the building of that line of railway, including these bridges. A subsidiary company may build the bridges, but the contract has been let for the building of that line of railway, bridges included. My hon. friend is so much in doubt that he dare not deny my assertion. It is the old, old story. My hon. friend says that in its inception, the idea of building this road was an excellent one, a grand thing—he dare not say anything else. This road is to serve the St. John valley, which was peopled long ago, before the landing of the Loyalists, by the French Acadians, some of the best blood of old France—men who hewed out their home plots there, and peopled afterwards by men who left their homes, established in luxury in the United States, came to that valley and hewed out home plots for themselves in the wilderness, until their habitations re-echoed the songs of the old flag.

My hon. friend was right when he said that there was no such magnificent valley in the province—a land which in fifteen years will produce apples that will wipe out competition the world over; but he and the party behind him have thrown every possible obstacle in the way of the determined, honest effort to give transportation facilities to that province, not only as regards local traffic but for the through traffic that must, from geographical reasons, come from the middle and far west down to the port of St. John. My hon. friend's speech to-day was just another link in the chain of the determined effort to take away from the Conservative party the credit which they deserve for their courage and energy in the fight against odds which

they made for building a line of railway down the valley which I love and desire to serve, and which my hon. friend also ought to love.

Hon. H. R. EMMERSON (Westmorland): In the semi-ready and unique exhibition of declamatory eloquence to which we have listened, we have been favoured not only with a definition of dishonest intellect—a perverted mind, as I understand it—but have been given an illustration, or object lesson, as well. I have appreciated very highly indeed listening to the production of my hon. friend (Mr. McLeod), but I would have been more grateful—and I am sure the House would have been—had he dealt with the subject brought before the House by my hon. friend from Carleton (Mr. Carvell). I observed from my seat that my hon. friend from York (Mr. McLeod) was very highly gratified with his performance, but I did not observe hon. gentlemen around him indulging in the same gratification, and I am sure that they, as well as myself, would have been under a debt of gratitude to him had he favoured the House with some expression of opinion on the subject which my hon. friend from Carleton very properly and aptly brought to the notice of the House this afternoon.

Without attempting to follow the hon. member for York in his—shall I say serpentine movements, always avoiding the subject, I ask you, Sir, if it was not opportune and apt that my hon. friend from Carleton should bring this matter to the notice of the House. I know that my hon. friend the Minister of Marine and Fisheries, as well as the hon. member for York, charged my hon. friend from Carleton with indulging in vituperation, and they considered it very unfortunate that the hon. member for Carleton should have indulged in language that could by any process be misconstrued. If my hon. friend from Carleton did indulge in that kind of discussion, and if it is wrong, it is very unfortunate that both my hon. friends the Minister of Marine and Fisheries and the hon. member for York followed his example. Mr. Speaker, what did the hon. member for Carleton bring to the notice of the House this afternoon? Unfortunately, there have been matters occurring in the province of New Brunswick which should bring the blush of shame to the cheek of at least every New Brunswicker. Unfortunately, in the Legislature of that province there have been incidents recently that do not reflect credit on the Government of the province or upon the people of the province—more's the pity that there should have been the necessity for any such incidents. We have heard a great deal with respect to the St. John Valley railroad. My hon. friend from Carleton has, I know, a habit of not mincing matters when he speaks. This at least can be said for him: there is no excuse for misunderstanding him. He never indulges in insinuation or innuendo. No one will charge him with that. When he has anything to say, he says it, and hon. gentlemen opposite know full well that those are his methods. For the purpose of warning the acting Minister of Railways, he told us this afternoon that in the province of New Brunswick they have been attempting to construct a railway, that the province, in addition to the subsidies granted by the Parliament of Canada in aid of that road, had also pledged its credit in guaranteeing its bonds; that of the proceeds from the bonds guaranteed by the province, over half a million dollars had been improperly diverted from its legitimate purpose; that charges had been made in the provincial Legislature against hon. members of that House, namely, the Premier of New Brunswick and a member of that Administration, now the member for York, New Brunswick. Those were the only two individuals named, and let me say that instead of indulging in the style of speech to which we have just listened, it would have been far better if the hon. member for York had not attempted to say a word along the lines which he followed, inasmuch as he stands before the Legislature of New Brunswick charged as a former member of the Government of that province with being implicated in the misappropriation of those funds. My hon. friend the Minister of Marine appealed for sympathy with respect to his former colleague, the Premier of the province of New Brunswick. He referred to the fact that these charges had been made, and that they were now under consideration by a tribunal. When were those charges made? About a fortnight ago. The Minister of Marine took credit for his friends because they appointed a Royal Commission to investigate those charges. But have they appointed a commission? They authorized it, but since then a fortnight has passed and no tribunal is considering the charges at this moment; nor has the tribunal authorized by the Legisla-

ture of the province of New Brunswick been created. When charges are made against members of a Parliament or Legislature under the British Constitution, it is usual for the members so charged to demand an instant inquiry. Was this done?

Mr. CARVELL: Never.

Mr. EMMERSON: Was this done by Hon. Mr. Flemming, the Prime Minister of New Brunswick? No. Although public notice of the charges had been given, he came before the Legislature and, as Prime Minister of the province, rushed through a Bill to its third reading to give an additional guarantee in aid to this railway to the amount of $2,000,000; but he never opened his mouth about these charges; he never referred to the transaction in any way whatever, and yet my hon. friend from York thinks the hon. member for Carleton should have been silent with respect to the Hon. Mr. Flemming's connection with the transaction. I say it would have reflected very much to the credit of Hon. Mr. Flemming, and he would have had a greater claim upon our sympathies, if he had gone before the Legislature and demanded that an inquiry into the charges be held at once, and before any further action was taken with respect to the additional aid that was asked for this railway. Here is a charge that some half million or more of the funds of the province have been improperly appropriated in connection with the construction of this road. Before the Premier will even speak of the charges he asks that the company shall be placed in a position whereby they can realize, by reason of the credit of the province, an additional $2,000,000 ostensibly to aid in the completion of the road. No action has been taken by the Premier. The inquiry has not been held and although the legislation was rushed through, although the legislature prorogued a week ago last Saturday, although legislation has been enacted authorizing the inquiry, no steps have been taken by the Government. Here is the head of the Government, the accused, the Premier of the province of New Brunswick, withholding action and preventing the people of that province from knowing the actual facts with respect to the charges.

The hon. Minister of Marine and Fisheries (Mr. Hazen) comes before this House and condemns my hon friend from Carleton for daring to mention the matter in order that my hon. friend the acting-Minister of Railways and Canals (Mr. Reid) shall be warned with respect to the application that is now pending before the Dominion Government for an additional $2,000,000 in connection with some bridges that it is proposed to construct. I am sure that the hon. acting-Minister of Railways and Canals is grateful to my hon. friend from Carleton for bringing to his notice the conditions which have been prevailing in the province of New Brunswick and for advising him in respect to the matter. The Dominion Government, in the light of the facts that have this afternoon been ventilated before this House, would not, I venture to say, even dare to bring down to Parliament a proposal in aid of the construction of these bridges until these charges have been inquired into and until the facts have been declared and exposed, if there are facts to be exposed, to the people of this Dominion. It is a fair proposition that no action should be taken by the federal Government in connection with this railway until that inquiry has been held. Action should not have been taken by the legislature of New Brunswick in relation to this railway until the charges had been investigated and disposed of. But this was done and the circumstances are before the country. This was not a matter to be treated with the levity with which my hon. friend from York (Mr. McLeod) treats it. It is a matter of very serious and grave concern, it is a matter which affects the future financial condition of the province of New Brunswick and my hon. friend from Carleton is doing very great public service in the interests of the province, and aye, indeed, in the interest of the Government and the people of all Canada, in so pointedly bringing to the notice of the House the facts which seem to be but too evident.

I am not going to prejudge any gentlemen whose names have been mentioned in connection with this matter. I appreciate the fact that it is a very easy matter to make charges. I have the fullest possible sympathy with the gentlemen who stand charged with these matters to-day and I would not prejudge them. But these gentlemen, when they take the attitude which they have taken, when they burke inquiry and will not create a tribunal, when they draw the veil before the vision of the people of the province and of the Dominion in the effort to obscure the facts of the case, I am sure are not in a position to appeal to the sympathy either of this House or the

people of any province in Canada. We will suspend judgment but with a suspension of judgment there should be a suspension of action in the matter of legislation relating to this undertaking.

I am not going to discuss the character of the undertaking. I shall not enter into details as to the road running here or there. It is not even pertinent, in my judgment, to this discussion to refer to the character of the road. The one point that was so well made by my hon. friend from Carleton was that wrong-doing had been charged with respect to moneys that have already been paid, perhaps with respect to moneys that have been paid under the authority of this Parliament. Charges have been made with respect to the appropriation of these moneys as well as the moneys received from the province of New Brunswick. Until these charges are determined, until the facts are exposed, until the men are exonerated or found to be guilty, this Parliament should withhold action. I hold that the Legislature of New Brunswick and, aye, indeed, the Governor of the province of New Brunswick, should have had their hands stayed before any further movement was made in respect to the matter.

My hon. friend from Carleton has referred to the aid that has been given by the province of New Brunswick in connection with other railways in that province. It is a very important matter to the province. It is a matter of supreme importance in my judgment, and it affects not merely parties. We have the hon. member for York, N.B., (Mr. McLeod) talking about Liberals and about Conservatives in face of the facts as they have been disclosed.

This subject rises superior to the fate of parties; it is the fate of a province that is hanging in the balance, and not the fate of a Government. My hon. friend from Carleton is entitled, not merely to the thanks of this House, but to the thanks of the people of all Canada for the action he has taken this afternoon; and these thanks he will receive. The Minister of Trade and Commerce, in answer to a question put by me the other day, practically said that there had been a proposition placed before the Government of Canada, asking for three million dollars to aid in the construction of these bridges which have been so lightly referred to by the hon. member for York (Mr. McLeod), and he said that proposition was under the consideration of the Government. The hon. member for Carleton seized this opportunity, as was his duty, to bring to the notice of the Minister of Railways and his colleagues the facts concerning the whole miserable transaction, with the idea of impelling this Government to pause in any action that it might intend to take. I am sure the Minister of Finance is grateful for having the facts brought to his notice. The Minister of Finance, in that splendid Budget speech he made the other day, was called upon to explain and apologize for a great many misfortunes, and I am sure he feels grateful to the hon. member for Carleton for having brought to his notice facts which may induce him to be careful in his steps, so that next year he will not be called upon to apologize, and to excuse, and to explain with reference to this three million dollar transaction, in connection with the River Valley railway bridges.

My hon. friend from York (Mr. McLeod) indulged in some very extravagant language with respect to the character of the National Transcontinental railway through the province of New Brunswick, and he said it would be a monument of the crime that had been committed against that province. The province of New Brunswick during the last two or three decades has been declining in population in proportion with the increase in the other provinces. At every decennial census we have been brought face to face with the loss of representation in this House of Commons, and the construction of the National Transcontinental railway through this unsettled portion of the province, traversing a country rich in natural resources will, it is hoped, contribute very materially to adding to the population of our province. That railway was built in the interests of Canada; it was built, in my judgment, in the proper location and along the proper route, and I think history will demonstrate that the wisest course was pursued by the Government, and that the province of New Brunswick will have reason to feel grateful.

But, that is apart altogether from the question raised by my hon. friend from Carleton, which seems to have been misapprehended entirely by the hon. member for York. I have never heard in the Legislature of New Brunswick any similar utterance to that to which we were treated this afternoon by the hon. member (Mr. McLeod). I do not know whether that style of oratory prevails to-day in the New Brunswick Legislature, but I do know, that if

it were indulged in in my days there, the man who indulged in it would be laughed to his seat, and I wonder why that did not occur in this House this afternoon. Perhaps the novelty of the situation made us generous and indulgent to the hon. member for York. The hon. member (Mr. McLeod) closed his remarks by saying: the Lord delivered them into our hands, in September 1911, and apparently he said it with the utmost satisfaction—was it in connection with any memories he had? Be that as it may, what happened on the 21st of September, 1911, apparently has resulted in delivering into the hands of certain looters, the St. John River Valley railway, which has been looted from that day to this, and in the judgment of every respectable man in the province of New Brunswick, it stands looted.

This Mr. Gould of New York, whoever he may be, has apparently cast avaricious eyes on the water-power rights in the town of Woodstock, and certainly, if he is desirous of securing any rights to the detriment of the hon. member for Carleton or in competition with any other company, he can congratulate himself that he has, on behalf of the Yankee power company of Aroostook which he represents, a very excellent 'tooter'—perhaps 'touter' is the better word—in the person of my hon. friend from York, because my hon. friend from York was apparently inspired with great glee at the prospect of a Yankee coming over from Aroostook, and seizing for himself and his Yankee associates, power rights in the town of Woodstock. In his closing remarks my hon. friend from York indulged in the usual higher patriotism and he waved the old flag. But, he was delighted at the prospect of Mr. Gould getting these rights in Woodstock, and yet he was one of the clan that indulged in the cry: 'no truck or trade with the Yankees,' a few years ago.

I must apologize, Mr. Speaker, for devoting even so much time to the speech of the hon. member for York, but I did want to say a word on the subject introduced by the hon. member for Carleton.

Mr. A. DeWITT FOSTER (Kings, N.S.): I do not rise for any extended argument on the subject matter brought before the House by the hon. member for Carleton, but I wish to point out that in the course of the remarks made by the hon. member for York, he was interrupted by the hon. member for Carleton, who said that in 1905 he made a speech in this House in which he advocated that the Transcontinental railway should come down the river St. John valley. I have here 'Hansard' of 1905, and I would like to send it over to my hon. friend from Carleton, and ask him to point out where he is reported as ever having uttered such language.

Mr. CARVELL: It may have been in 1906. That is about the size of the calibre of my hon. friend; I am not surprised that he brought up that question.

Mr. FOSTER: I have also 'Hansard' of 1906 under my hand; and I would like my hon. friend to take 'Hansard' of 1906, or 1907, or 1908, or 1909, or 1910, or any 'Hansard' from the year 1905 to the present time, and point out where he ever made such a speech in this House. Nevertheless he asks hon. gentlemen on this side of the House to accept his word. He can take his own time to point out the place, until the end of this session if he likes.

Mr. CARVELL: Do not worry.

Mr. FOSTER: He says that is about my calibre. Well, if my calibre is getting at the truth, that is calibre enough for me in this House or elsewhere. My hon. friend from Westmorland (Mr. Emmerson), in his few remarks following the hon. member for York, N.B. (Mr. McLeod), deplored the style of language used by that hon. member. I say that there can be no possible comparison between the style of language used by the hon. member for York, N.B., and that used by the hon. member for Carleton, N.B. The hon. member for Westmorland himself was not free from using certain words which would hardly be the most classical language that one would expect from a gentleman so well informed and so learned as my hon, friend. He seemed to think it was a tremendous thing that any one should regard the Premier of New Brunswick with any degree of sympathy. If there is one member in this House that ought to feel tender on a subject of that sort, it is the hon. member for Westmorland. When a man is ill and has been confined to his room for days and weeks, and charges are made behind his back——

Mr. CARVELL: He was present when they were made.

Mr. FOSTER: He is not present here to-day.

Mr. CARVELL: He was in the legislature of New Brunswick when these charges were made.

Mr. FOSTER: Well, assuming that he was, my information was that he was ill in bed.

Mr. CARVELL: He was in the legislature when these charges were made. I saw him there.

Mr. FOSTER: The hon. member from Carleton has spoken half a dozen times.

Mr. CARVELL: I was merely giving the truth of the matter.

Mr. FOSTER: I gave my hon. friend the opportunity to give us the truth, and he has not done so yet. I only gave the information as it was given to me; and, in my judgment, it is nearer the truth than what my hon. friend calls facts which he has laid before the House, facts which he has adjudicated upon, which he has pronounced upon but which will come before a tribunal to be established in the province of New Brunswick.

Mr. EMMERSON: When ?

Mr. FOSTER: When will that tribunal be appointed ? At the good pleasure of the Lieutenant Governor of the province.

Mr. EMMERSON: Advised by Mr. Flemming ?

Mr. FOSTER: Do you know that he was advised by Mr. Flemming to withhold the appointment of that commission ? You make these insinuations in this House, and yet you deplore—

Mr. EMMERSON: Will you pardon me ?

Mr. SPEAKER: Order. The hon. gentleman should address his remarks to the Chair.

Mr. EMMERSON: I was referring to the fact that the Government would, when advised constitutionally by the Prime Minister of New Brunswick, who is Mr. Flemming, make the appointment.

Mr. ROBIDOUX: The hon. member knows that the acting Premier to-day is the Hon. Mr. Clarke.

Mr. EMMERSON: I know that Mr. Flemming is still Premier of New Brunswick and that he has not resigned.

Mr. FOSTER: My hon. friend from Westmorland knows that Mr. Flemming is still Premier of New Brunswick and he knows also that the acting Premier is Hon. Mr. Clarke. I presume that duty would fall on the acting Premier in the absence of Mr. Flemming, who has gone 10 p.m. to New York to consult a specialist with regard to his health. Nevertheless, these insinuations are made. Mr. Flemming is not here to reply to them, but they are made by the hon. member for Westmorland, who is so solicitous about insinuations and about language used.

Mr. EMMERSON: I must correct my hon. friend. I made no insinuations whatever against Mr. Flemming. I made no unkind reference to him. On the contrary, I expressed sympathy for him.

Mr. FOSTER: I am sure my hon. friend has no desire to be unfair, but I understood him to say that the delay in appointing this Royal Commission was due to the fact that the Lieutenant Governor was so advised by Mr. Flemming—

Mr. EMMERSON: Constitutionally.

Mr. FOSTER: —who had left the country. We have the fact that Mr. Clarke is acting Premier of the province of New Brunswick, and that duty would fall upon him.

I will close my remarks, as I see no indication on the part of the hon. member for Carleton, N.B., to attempt to substantiate the truth of his statement that he made a speech in 1905 in which he advocated that the Transcontinental railway should come down the St. John river valley.

Mr. O. TURGEON (Gloucester): As a member from northern New Brunswick, who is interested in the St. John Valley railway, I wish to say a few words in commendation of the attitude of my hon. friend from Carleton this afternoon in bringing to the attention of the House and more especially of the Government and of the hon. Minister of Railways and Canals, a situation as it exists to-day in the province of New Brunswick. It is to be regretted that some political capital has been made by certain politicians; but unfortunately we are confronted with a circumstance that some members of the Government of New Brunswick are to-day lying under a charge made by a member of the legislature of that province who has put his seat in jeopardy in making charges in regard to the administration of certain public monies by these gentlemen. It happens that this undertaking of the St. John Valley railway is connected with the Parliament of Can-

ada, and to-day there is a large sum of money voted by this House towards the construction of that railway, and under the circumstances this Government may ask this Parliament to vote again $2,000,000 or $3,000,000 to be given into the hands of the same contractors who are at present under suspicion, whether rightly or wrongly, I do not know. Until a commission has been appointed and has had time to investigate and to make a report, everything should stand still. It is to be regretted, as affecting the fair name of the province of New Brunswick, that when these charges were made, so heavily lying upon the head of the Premier of the province and upon that of his colleague in the Government, the province did not take the course recommended not only by the Liberal press of the province but by papers that had supported the Administration until that very date, papers perhaps more independent in mind than attached to their party. I can quote the St. John Globe, which is a supporter of the Flemming Administration as it was a supporter of the Hazen Administration, and which has taken that stand. The Legislature should have taken the course recommended by the St. John Globe of immediately appointing a Royal Commission, adjourning the House for two or three weeks and proceeding at once with the investigation. If that course had been taken, we would not be in the position of calling the attention of the Minister of Railways and of the federal Government to the regrettable situation at present existing in the province from which I come. Therefore, I rise merely to commend the position taken by my hon. friend from Carleton. I think it should appeal to the good sense of every one on the other side and especially to the Minister of Railways and Canals. I hope yet that that hon. gentleman, notwithstanding any exaggeration of language in which the hon. member for York may have indulged, will take the suggestion of my hon. friend from Carleton seriously, as every citizen in New Brunswick does to-day. The hon. Minister of Marine and Fisheries, in a very eloquent speech, dealt with everything except the very point which interests the country. He made reference to a statement of my hon. friend about the railway assisted by the province to run from Bathurst Mines to the town of Bathurst. While I do not agree altogether with the statement of my hon. friend from Carleton on this point, his statement merely reflects public opinion in the province of New Brunswick since the Canada Iron Company had to suspend not only their operations in their iron mines but all their operations in the country. If I say a word, it is more to dispel the misapprehension in the minds of our people as to the Bathurst railway. I was only awaiting the Estimates of the Minister of Public Works to call the attention of the House to the importance of the Bathurst road. While the Canada Iron Company has suspended operations, while it is in the hands of a receiver, the road from Bathurst in the promotion of which the Minister of Marine and Fisheries has co-operated and to which I also have given assistance in the matter of securing subsidies from the Dominion Government, is bound to be operated, and the mine, being inexhaustible, is also bound to be operated. And it is needed to-day not so much in the interest of the company but of the province as a whole. Its operation will help the transportation development of Bathurst. When the Estimates of the Minister of Public works are before the committee I may say more on this subject. At present my suggestion is that the Government should take over that road as a branch of the Intercolonial railway and complete it from the junction to the harbour of Bathurst. And not only will there be the products of the mines to be carried, but also the products of the pulp and paper mills now under construction at Bathurst, at the head of the harbour. Their electric power comes from the same source as that for Bathurst Mine —Grand Falls.

I hope the Minister of Railways and Canals will take seriously the suggestion of the hon. member for Carleton that, until the investigation is over, no further assistance should be given to that company or to the Government of New Brunswick in respect of that railway. I am not personally acquainted with the Prime Minister of my province, Mr. Flemming. He may be exonerated on these charges, but it is important that the public should know that he is exonerated before anything further is done. The charge has been made in the Legislature of New Brunswick by a gentleman who, personally, has my confidence and respect, and that of every one who knows him in his county and throughout the province. That signifies to me that we should take no action until this matter has been investigated, and those

who are under a cloud to-day have been proven either guilty or not guilty.

Hon. J. D. REID (acting Minister of Railways): With regard to this question brought up by my hon. friend from Carleton (Mr. Carvell), I am always pleased to hear questions brought forward in which the House is interested, especially if information is given to prevent wrong-doing in the future. However, I can hardly see where we are so much interested as the hon. member for Carleton seems to be. As I understand this matter, the provincial Government of New Brunswick issued a charter to the St. John and Quebec Railway Company to construct a line from a place on the Transcontinental to St. John. They carried a certain amount of bonds, and the Dominion Government gave a subsidy; and when the road is completed the Dominion Government is to take it over and to operate it, paying for it a certain proportion of the earnings. Now, where the Dominion of Canada comes in in this matter is in connection with the question whether the subsidy is paid in the proper way—in other words, is the road costing a sufficient amount to justify the payment of this subsidy? As I understand from the hon. member for Carleton, there is no doubt about that. We must pay the subsidy, provided that the road has cost over a certain amount; and, as I understand the hon. member for Carleton, that point has been guarded. Therefore, up to the present time there has not been any laxity nor any amounts paid improperly. As I understand the hon. member for Carleton, he has confidence in the Government engineer, Mr. Taylor. And as to the payment of the balance of the subsidy, if Mr. Taylor carries on his work as he has done in the past, there would not be any difficulty.

Mr. CARVELL: My hon. friend correctly states my position with regard to Mr. Taylor, provided Mr. Taylor is allowed to get the proper information. I strongly suspect that Mr. Taylor is furnished by the company with incorrect information.

Mr. REID: I will come to that. The main point, as I understand it, is to see, before the subsidy is paid, that the road is going to cost a certain amount. There is no doubt whatever, that the road is costing a sufficient amount to justify Mr. Taylor's paying the $6,400 a mile.

The hon. member for Carleton, as I understood him, says that the road has certain curvatures and grades which he believes are not in accordance with the specifications.

Mr. CARVELL: No, I said that the plans and profiles had been changed to meet the character of the road.

Mr. REID: At any rate, according to the hon. gentleman's conception, the road is not being built as he would expect it to be built, in accordance with the original specifications.

Mr. CARVELL: Not by any means.

Mr. REID: The Dominion Government engineers should see that the road is properly built.

Mr. CARVELL: Mr. Taylor has reported to the department a hundred times at least and they have turned him down every time. It is useless for him to report to the department.

Mr. REID: That is news to me. I do not know anything about Mr. Taylor or any of the engineers, but I should think that Mr. Taylor is responsible for the line being properly built, in accordance with the specifications.

Mr. CARVELL: That is all right if he is not overruled by some higher authority.

Mr. REID: That is true, but I cannot believe that he is interfered with.

Mr. CARVELL: Ask Mr. Taylor.

Mr. REID: I will not ask anybody; I will consult the files or officials of the department, if there is any wrong-doing. I think I am right in saying that the Dominion Government, if they take over that road, must see that it is built in accordance with the special agreement. I am satisfied that, so far as the Dominion Government have a right to interfere, the hon. Minister of Railways will, when he takes over the road, see that it has been completed in accordance with agreement. I do not see where we can do any more than we are doing, as long as we protect ourselves in so far as the payment of subsidies is concerned.

With regard to the question of bridges, the hon. member believes that the engineers of the Dominion Government should see that those bridges are built, and he suggests that they should be built and owned entirely by the Government. So far as I am concerned, I can only say that the Dominion Government have had the matter under consideration. If anything should be done by the Dominion Government, I

am sure that the hon. member will not find fault, because I believe that they will protect themselves in a manner satisfactory to him.

The hon. gentleman referred to other matters, one of which was the Southampton railway. I think I mentioned the fact that a commissioner had been appointed to investigate this railway. Shortly after his appointment the commissioner pointed out to me that it would probably be better to defer any investigation for a couple of weeks until the snow was off the ground, and he would be in a better position to see the road. For this reason, the investigation did not immediately proceed. The commissioner subsequently notified me that he had fixed a date for the hearing of this investigation; I think it has been arranged to take place within the next ten or twelve days. The hon. member may be assured, therefore, that the investigation is to be proceeded with; I have endeavoured to explain why the short delay did take place.

Mr. CARVELL: I accept my hon. friend's statement, but I would like to suggest to him that when the commissioner goes down there he have somebody with him besides Mr. Pinder, because I think it is important that the fullest light shall be thrown upon the subject.

Mr. REID: I told the commissioner that he must give ample notice of his intention to be there. He informed me verbally a few days ago that he was going to hold a public investigation of some kind, I think in Fredericton. I am glad the hon. member mentioned the point; I shall see the commissioner and urge him to see that everything is done along the lines suggested.

The hon. member also mentioned the Tobique and Campbellton road, and urged that the subsidy contract be not changed. So far as I am concerned, I have had no application before me for any change. I am glad the hon. member has mentioned the matter; if it comes before me in any way I shall look into it very closely. It is altogether likely that if any application should be made to me in connection with any changes, other than any affecting the present arrangement between the companies, I will ask that the matter be laid over until the return of the minister, when I intend to bring his attention to the discussion that has taken place in connection with the three railways mentioned.

Motion agreed to.

WAYS AND MEANS—THE TARIFF.

The House in Committee of Ways and Means, Mr. Blondin in the Chair.

Resolved, that it is expedient to provide, in substitution for section 7 of the Customs tariff, 1907:

(a) that goods the produce or manufacture of any foreign country which treats imports from Canada less favourably than those from other countries may be made subject by Order in Council in the case of goods already dutiable to a surtax not exceeding twenty per centum ad valorem, and in the case of goods not dutiable to a rate of duty not exceeding twenty per centum ad valorem;

(b) that goods the product or manufacture of any foreign country imported into Canada in vessels registered in such foreign country may, if such foreign country imposes higher duties of customs upon goods imported into such country in vessels registered in Canada than upon the like goods when imported in vessels of such country, be made subject by Order in Council in the case of goods already dutiable to a surtax not exceeding twenty per centum ad valorem, and in the case of goods not dutiable to a rate of duty not exceeding twenty per centum ad valorem.

Mr. OLIVER: Why is the surtax reduced from 33⅓ per cent to 20 per cent?

Hon. W. T. WHITE (Minister of Finance): I may explain to my hon. friend that there is not a reduction in the surtax. Subsection 1 of section 7 of the Customs tariff of 1907, is as follows:

Articles which are the produce or manufacture of any foreign country which treats imports from Canada less favourably than those from other countries may be subject to a surtax over and above the duties specified in schedule 'A', such surtax in every case to be one-third of the duty specified in the General Tariff in the said schedule 'A'.

The amount of one-third is fixed and definite. It is not 33⅓ per cent ad valorem, but one-third of the amount of duty. That is to say, if the rate of duty is 30 per cent the surtax would be 10 per cent, neither more nor less. I wish to call the attention of my hon. friend to the fact that section 7 does not apply to free goods, because if goods are free one-third of no duty would add nothing. We propose the changes which have been indicated in the resolution, namely:

That goods the product or manufacture of any foreign country which treats imports from Canada less favourably than those from other countries may be made subject by Order in Council in the case of goods already dutiable to a surtax not exceeding twenty per centum ad valorem, and in the case of goods not dutiable to a rate of duty not exceeding twenty per centum ad valorem.

That is to say we might increase by 1 per cent, 10 per cent or 20 per cent.

Mr. OLIVER: I quite understand that, but what is the purpose to be achieved by the change? I presume it was not altered merely for the sake of making a change.

Mr. WHITE: The section is not flexible, and we are of the view that it should be flexible. I admit that a surtax should be sparingly and reluctantly applied, but we are of the view that it should be in the discretion of the Government to impose the surtax up to 20 per cent ad valorem.

Mr. OLIVER: I believe there are times when it is right and proper to impose a surtax, and when the time comes it is to be done as a war measure—reluctantly, of course, but still effectively. Is the 20 per cent limit considered as severe a retaliatory measure as the one-third tax would be?

Mr. WHITE: The twenty per cent is not a fixed amount, it is the maximum.

Mr. OLIVER: Is that maximum equal, on the average, to the amount that existed before?

Mr. WHITE: Assuming that our average tariff upon dutiable goods is twenty-six per cent, one-third of that would be eight per cent. On the other hand this does not admit of any surtax upon goods that are free. It is difficult to compare the two. When the matter was under consideration it was suggested that we should fix a maximum higher than twenty per cent. For myself, I should be exceedingly reluctant to enforce a surtax, but I thought that the provision should exist in our legislation and finally settled on twenty per cent as a reasonable maximum with the idea that it would be seldom, if ever, invoked. Of course, the Government might impose five per cent or ten per cent, but no more than twenty per cent. In the case of some other countries, whose legislation I have examined in this regard, the maximum is much higher. For example in the case of Germany it is the amount of the tariff rate on dutiable goods. Free goods may be taxed with a duty not exceeding fifty per cent ad valorem; in Italy goods proceeding from countries in which Italian vessels and products are subject to a differential regime, may be burdened with an increase of frontier duties up to fifty per centum of the duty inscribed in the general tariff. In the case of goods duty-free under the tariff ,the same may be burdened with an import duty up to twenty-five per cent of their official marked values. In Japan with respect to articles the produce or manufacture of a country in which vessels or produce or manufacture of Japan are subjected to less favourable treatment than those of other countries the articles of such country may be designated by Imperial Ordinance, which shall be liable to customs duties not exceeding in amount the value of such articles in addition to the duties prescribed in the tariff.

I only instance those as illustrations from which my hon. friend may deduce that we have fixed a reasonable maximum erring, if at all, on the low side.

Mr. OLIVER: If you have to take retaliatory measures it is desirable that they should be effective. It must always be understood that retaliation does not hurt only the other fellow, it hurts yourself too. I gather that a serious difference between this proposal and the regulations formerly on the statute book is that under the former tory measure did not increase it seriously, and if the goods were free there was no retaliation. Under this legislation my hon. friend has power to establish a duty against imported goods where no duty formerly existed, and under other circumstances to impose a duty against goods coming in under a low tariff, which could not have been levelled against them under the former regulations.

As a matter of fact, while my hon. friend speaks of a mild measure of retaliation, I gather that the effect of the legislation is that it is more drastic, or might be more drastic, against the home consumer than the former Legislation could have been made.

Mr. WHITE: I think not necessarily so as I shall be able to point out.

Mr. OLIVER: Not necessarily so, but still it might be.

Mr. WHITE: Take the case of a duty of 30 per cent; under the surtax provision of the present customs tariff the amount of the surtax would be fixed at 10 per cent but you might not desire to enforce a surtax as high as 10 per cent ad valorem. That is a very serious increase. The Government might be satisfied that the end would be served by increasing the duty one, or two, or five per cent ad valorem. Under the present customs tariff that would not be possible. Under the amendment it would be possible. I had a case like that in view, not a specific case, but a case of that nature, and my intention was not to increase the surtax but to make the surtax more flexible so that it might

be lower or higher as the case might demand and in fixing it at 20 per cent, having regard to the legislation of other nations, we thought we were fixing it substantially on the low side.

Mr. OLIVER: I do not wish to delay at all in the matter, but when my hon. friend was reading the laws of other countries, it seemed to me that the attitude of the other countries was more in line with what I have considered the true theory than what my hon. friend proposes. Germany may charge a surtax of fifty per cent of the existing tariff. That is distinctly a war measure. It is intended to hurt, to be effective, and it is only to be continued long enough to produce whatever result is hoped to be produced by it. On the other hand, my hon. friend proposes here a system under the suspicious name of a retaliatory tariff which may simply impose a burden on the Canadian people. I would not like to see this legislation pass without calling attention to the possible effect of it.

Mr. WHITE: I think that my hon. friend and I would agree that any measure of this kind should be invoked only as a matter of the most urgent national necessity. I entirely agree with my hon. friend that legislation of this kind is retaliatory and that sometimes the invoking of it would do more harm than good. As far as the intention goes, although, of course, the statute speaks for itself, we should hesitate under any circumstances to invoke legislation of this kind unless an absolute necessity exists for it in the national interest of Canada. In fixing it at 20 per cent it was my desire to fix it at a reasonable amount, not to fix it at a high amount but rather at a low amount. It is true, as my hon. friend has pointed out, that it is possible under this legislation that the surtax would be higher than under the customs tariff of 1907, but at the same time it is also possible that it would be lower and it was my intention to make it sufficiently flexible that it might be lower if the Government desired at any time to invoke it.

Resolution agreed to.

2. Resolved, that the customs tariff, 1907, be amended by authorizing the Governor in Council when satisfied that rolled iron or steel angles, beams, channel and other rolled shapes or sections, or iron or steel weighing one hundred and twenty pounds and less per lineal yard, are manufactured in substantial quantities in Canada from steel made in Canada to direct that there be substituted for tariff item 379 in schedule A to the customs tariff, 1907, the following:

Rolled iron or steel angles, beams, channels, and other rolled shapes or sections, of iron or steel, not punched, drilled or further manufactured than rolled, weighing over one hundred and twenty pounds per lineal yard, n.o.p., not being square, flat, oval or round shapes, and not being railway bars or rails per ton—British preferential, $2; intermediate, $3; general, $3.

Mr. A. K. MACLEAN: Would the minister tell us what was the quantity in tons and the value of the importations of articles of this kind last year?

Mr. WHITE: Fortunately I am able to give that information to my hon. friend although I did not expect it would be asked for. The imports during 1912 and 1913 were as follows:

Year.	Quantity.	Value.
1912	2,957,541 cwt.	$3,625,107
1913	4,013,570 "	5,319,456

Mr. OLIVER: What are the present duties?

Mr. WHITE: Under the present tariff these products, which are called merchant mill products, up to 35 lb. per lineal yard, have a duty of $7 per ton against them. Products that are over 35 lb. per lineal yard have a duty, under the general tariff, of $3 per ton. I am extending the 35 lb. per lineal yard up to 120 lb. per lineal yard. At the time the Customs Tariff of 1907 was enacted merchant mill products up to 35 lb. per lineal yard were produced in Canada but merchant mill products of a heavier character were not produced in Canada. In some mills to-day structural steel beams, channels and other rolled shapes heavier than 36 lb. per lineal yard and up to 50 or 60 lb. per lineal yard are being produced but no change has taken place in the tariff. It was represented to us by the Algoma Steel Company, and by other steel companies, that if legislation should be introduced, to be brought into effect by Order in Council, so that the company would have an assurance that in future it would be brought into effect, they could get the capital requisite to increase their plants and establish merchant mills which would manufacture products up to 120 lb. per lineal yard; that is to say, the larger structural steel required for buildings, bridges and many other manufactures. The Government, therefore, is asking Parliament to enact legislation which is to be brought into effect under Order in Council when the Governor in Council is satisfied that the products in question are being manufactured in substantial quantities in Canada from steel made in Canada. There is a precedent for this under the

late Government—the resolution of the 17th April, 1903, appertaining to steel rails. That resolution imposed a duty of $7 per ton but it was not to become effectual until the Governor in Council was satisfied that steel rails were being manufactured in substantial quantities in Canada. On the 27th August, 1904, an Order in Council was passed making steel rails dutiable at $7 per ton and it has been effective ever since.

Mr. OLIVER: I did not get the answer I wanted. I wanted to know what was the duty, on the bringing into force of this provision, upon structural and iron steel over 120 lb. per lineal yard.

Mr. WHITE: I answered that question; $3 per ton on all structural shapes and merchant mill products weighing over 35 lb. per lineal yard. The products that are manufactured in Canada were protected by a higher rate and we propose to increase the limitation from 35 lb. to 120 lb.

Mr. CARVELL: Were not the heavier products like I-beams only subject to a duty of 10 per cent, not forged, or punched or otherwise manufactured? How will that class of goods be affected?

Mr. WHITE: I will read the present item in the tariff:

379. Rolled iron or steel beams, channels, angles, and other rolled shapes of iron or steel, not punched, drilled or further manufactured than rolled, weighing not less than 35 pounds per lineal yard, not being square, flat, oval or round shapes, and not being railway bars or rails, per ton—British preferential, $2; intermediate, $2.75; general, $3.

Any of these articles weighing 35 lb. or more, were $3, while under 35 lb. per lineal yard, the duty was $7 per ton, as a protection to the Canadian manufacturer, because the Canadian manufacturer was able to manufacture products up to 35 lb. per lineal yard. Beyond that the product was not manufactured in Canada, and the duty was less. What we are doing now is to extend that up to 120 lb. If my hon. friend will look at resolution No. 2, tariff item 379, he will see it applies to these products weighing over 120 lb., and we are fixing that at $3 per ton.

Mr. OLIVER: Which it was before.

Mr. WHITE: Yes, but it went down to 35 lb. This 120 lb. is substituted for 35 lb.; all below 120 lb. falls into the other item of the tariff, on which there is a duty of $7 per ton.

Mr. MURPHY: Up to the present, there has been no structural steel of this weight produced in the country?

Mr. WHITE: That is it. Of course, it will be some considerable time before it is brought into effect, because the mills capable of producing these heavier products will have to be established.

Mr. CARVELL: Would the minister give any reason why it is necessary to impose this extra burden on the users of these products? The minister knows that it is not a very big piece of steel that does not weigh 120 lb. per lineal yard, and if he puts this into force, he will be putting a great burden upon the articles that are consumed everywhere. As I understand it, the very moment this Order in Council goes through, and this product is brought up to $7 duty, the consumer will have to pay the $7 duty, no matter whether the article is manufactured in Canada or imported. I hope the minister realizes that he is certainly imposing a pretty heavy burden upon the ordinary consumers of iron and steel products, for the purpose of benefiting a prospective manufacturing industry. I think we might as well understand that clearly. Will the minister tell me now, whether I am right or wrong in that idea?

Mr. WHITE: I thought we discussed the question of the fiscal policy on the Budget.

Mr. CARVELL: I was not here.

Mr. WHITE: My hon. friend (Mr. Carvell) and I would view this from a different standpoint, and without wishing to be controversial I may tell him that some of his colleagues on the other side of the House would also view it from a different standpoint from him. It is a question of whether we believe in protection of Canadian industries. I am perfectly frank in saying that I believe if this duty is allowed to stand as it is we will not have these mills manufacturing the larger products in Canada. I believe, on the other hand, if this Order in Council is passed, we shall have these mills manufacturing the larger products in Canada. It does not always follow that the full amount of duty would be added to the price of the article. Possibly it would if there were only one mill, or perhaps two mills in Canada, and they had an understanding as to price. I could point out to my hon. friend many cases in which the full amount of duty was not added to the cost to the consumer. Once a fiscal policy of protection is adopted

by the Government, it seems to me it follows that within reasonable bounds we are justified in asking for the imposition of duties which have the effect of causing these plants to be erected in Canada, rather than that the Canadian consumer should buy from the outside. Canadian steel plants and other plants are at a decided disadvantage with some of the larger plants, especially in the United States. They have a larger home market there: they have been built up over a large series of years, and it is a fact that they can throw their products into this country at a much lower rate than our manufacturers can compete with them at. Our policy is reasonable protection, and we think we will succeed in establishing mills by increasing this tariff upon that range of products, from 35 pounds up to 120 pounds. With respect to the products weighing between 35 pounds and 120 pounds per lineal yard, we are doing precisely what the late Government did with regard to products up to 35 pounds per lineal yard, and we have the same object in view. I know that is no defence for this legislation, which should be dealt with on its own merits, but it is nevertheless the fact.

Mr. CARVELL: The Minister of Finance is perfectly fair about it, and I only want to have a fair understanding. As I understand him, he is perfectly willing to allow the manufacturer to charge the people of Canada a greater price than they could buy these articles for in other parts of the world, in order to establish one of these industries in Canada.

Mr. WHITE: The charging of the higher price may not necessarily follow, or it might follow. The chances are that it will follow that a higher price will be paid by the Canadian consumer upon these particular products, at least for a time, than they could be bought for, let us say, by reason of the manufacturers in the United States dumping them upon this market.

Mr. CARVELL: That is the fairest presentment of the protectionist policy I have ever heard in this House. I am glad the Minister of Finance comes out flat-footed and acknowledges the corn. It is the truth; we all know it is the truth; and I think the Minister of Finance is entitled to a great deal of credit for admitting it.

Mr. WHITE: I am much obliged to my hon. friend, but I am not going to apologize, because I know that I am going to have established, as a result of this, a large plant at the Sault, employing Canadian workmen, and I know that the establishment of that plant will be of great advantage to that whole section of the country. I know also that if this change were not made in the tariff that plant would not be established, and we expect to have large mills established also at Sydney and at Hamilton.

Mr. EMMERSON: Who will pay for it?

Mr. WHITE: The people will be benefited on the one hand, and they may pay something for it on the other, but they will not complain.

Mr. A. K. MACLEAN: Two years ago, when the Minister of Finance was presenting his Tariff Commission Bill, the principle was laid down that the measure of protection should be the differential between the wages of the home country and those of the competing country. Do I understand that the minister has abandoned that principle to adopt the one just stated by the member for Carleton?

Mr. WHITE: It was provided in the Tariff Commission Bill that the cost of production should be ascertained in the several countries of the world, but I do not think any principle was laid down. I do not think either that the remarks of my hon. friend (Mr. A. K. Maclean) have any bearing upon the question raised by the hon. member for Carleton. What I have said is this: That without the assistance which we are giving by way of protection, a Canadian plant could not establish itself and compete with the United States plant selling their products in competition, and selling them cheaper than they sell them in the home market. I think that is a little different from the proposition which my hon. friend has put forward, arising from the Tariff Commission Bill.

Mr. MURPHY: Has structural steel of this weight been produced by the Dominion Bridge Company?

Mr. WHITE: Not produced, but used by the Dominion Bridge Company. The Dominion Bridge Company has used the material very largely. We have not had any representations made; but I expect they will be made, and it may be necessary, although I have not in mind now anything definite respecting it, to make some adjustment of the tariff with regard to bridges, because the bridge manufacturers will un-

doubtedly be affected by this change; that is to say, they might have to pay more for the materials which they use in making the bridges.

Mr. MURPHY: That was what I had in mind when I asked the question.

Mr. WHITE: No representations have been made, but it is quite probable that they will be made. If so, we shall have ample time to take them up and consider them.

Mr. McCREA: If there is any doubt in the minds of any hon. members as to who pays for this encouragement of the steel industry, I will give a little personal experience. The company with which I am connected is engaged in the construction of a paper-mill, and we have asked for prices on a large quantity of steel. Some of the orders were placed before the new tariff came in, and some were not. As regards the latter, the firms simply withdrew their prices and raised them the amount of the duty.

Mr. OLIVER: Is the surtax in provision (b) new or is it a continuation of what prevailed before, with the same variation as my hon. friend has in subsection 1?

Mr. WHITE: Subsection (b) is entirely new.

Resolution agreed to.

3. Resolved, that schedule A to the Customs Tariff, 1907, as amended by chapter 15 of the Acts of 1913, and by Orders in Council be further amended by striking thereout tariff items: —113, 184, 208, 210a, 296, 306, 315, 361, 375, 398, 404, 410, 411, 445, 446a, 460, 471, 486, 542, 543, 545, 546, 575, 577, sections (a) and (d) of the Orders in Council dated 11th August, 1908, designated as items 717 and 720 of the Customs tariff, the several enumerations of goods respectively, and the several rates of duties of Customs, if any, set opposite each of said items, and to provide that the following items, enumerations and rates of duties be inserted in said schedule A.

Mr. A. K. MACLEAN: I desire to ask a question at this stage. The hon. member for Pictou (Mr. Macdonald), who was obliged to leave the House a short time ago, desires to offer some remarks to the committee at a later stage. The hon. member for Northumberland, N.B. (Mr. Loggie), also desires to offer an amendment a little later on, and I think the hon. member for Westmorland (Mr. Emmerson) wishes to do so also. Might we have this understanding that an amendment might be moved to-morrow? We can take up as many items of this schedule as we can to-night.

Mr. WHITE: I would like to facilitate my hon. friend. I am not sure that it is possible in committee to move amendments. We might ask the chairman to consider the matter. With regard to any item under consideration, an amendment may be moved to reduce the tariff.

Mr. MACLEAN: It could be arranged that the House go into Committee of Ways and Means to-morrow or on some other day in order that these gentlemen might have an opportunity to move their amendment.

Mr. WHITE: Subject to its being an order, I am entirely agreeable.

Mr. EMMERSON: It seems to me the proceeding is to move amendments on the second reading of a Bill, or in committee or on the third reading. This resolution has been approved by His Royal Highness, to whom it was submitted, so that I do not think we can amend it.

Mr. WHITE: We will see as to that.

Mr. CARVELL: When the Tariff Bill of 1907 was being put through the
11 p.m. House, we amended the resolutions only in so far as we reduced taxation, but we did not increase it. That is where the distinction was drawn.

Mr. GRAHAM: The procedure is the same as in Committee of Supply. We can move to reduce but we can not move to increase or to divert the money from the object for which it was intended.

Mr. WHITE: There is probably no difference of view respecting this matter. With regard to any of the resolutions under consideration, my view is that a motion may be brought forward to reduce the duty, but not to increase it; but I have some doubt as to whether a motion may be moved by a member with respect to some article or item that is not before the committee for consideration.

Mr. CARVELL: The third resolution is a resolution that schedule A be amended by doing certain things with it. I think it is quite in order to extend that amendment by affecting some other items

Mr. WHITE: That is probably so. We will see.

Mr. OLIVER: What are these items that are struck out in a general way?

Mr. WHITE: A number of items must be struck out because other items take their place.

Mr. OLIVER: Are these items which have been struck out included in these that are dealt with in the schedule?

Mr. WHITE: They must be struck out in order that others may take effect.

Mr. OLIVER: Are any struck out that not are replaced; and, if so, what are those items?

Mr. WHITE: Some may be struck out that are not replaced; but the items that they govern are otherwise dealt with. Every number that is struck out here is necessarily struck out in order that others may be given effect to.

Mr. GRAHAM: Does not my hon. friend think, in view of what he has said in a previous debate in this House, that he is running the risk of criticism in the country as being in favour of free trade?

Mr. WHITE: I will take chances on that.

Mr. GRAHAM: He has in this schedule 24 items that are on the free list. If putting agricultural implements or wheat on the free list implies that the person doing so is in favour of free trade, what will one say of a person who puts twenty-four items on the free list? Will he not be regarded as being twenty-four times as much in favour of free trade?

Mr. WHITE: I think I can convince my hon. friend that the conclusion he appears to have reached need not necessarily follow. Of course, I do not think it necessary that I should discuss with him the question already so fully discussed, whether free agricultural implements and free food mean free trade. But he was so impressed with the idea that free food might savour of free trade that he shifted his ground so materially from it that he would not likely find his tariff policy would reduce the cost of living.

Resolution agreed to.

39c. Cassava flour, when imported by manufacturers of explosives, for use exclusively in the manufacture of such articles in their own factories—British preferential, free; intermediate, free; general, free.

Mr. OLIVER: What is the duty on that now?

Mr. WHITE: The explanation of that change is that cassava flour is used for the manufacture of explosives by the Dominion Explosives, Limited, of Sand Point, Ont. Others use glycerine which is free under item 664. Manufacturers who use cassava flour as a base complain that they are at a disadvantage in competition with those who use glycerine, and have asked that cassava flour be placed on the free list.

Mr. A. K. MACLEAN: Where is it made?

Mr. WHITE: In the West Indies, I think.

Mr. OLIVER: Does it still remain dutiable at one cent per lb. for other purposes than the manufacture of explosives?

Mr. WHITE: Yes, the free importation is limited to the use of the manufacturers of explosives in their own factories.

Mr. PARDEE: Did the millers combine consent to this change?

Mr. WHITE: The hon. gentleman may have inside information on that point; I have not.

Item agreed to.

79a. Rooted carnation cuttings in their first year of introduction—British preferential, free; intermediate, free; general, free.

Mr. A. K. MACLEAN: What is this for?

Mr. WHITE: This change is made for administration purposes. Seedling carnations are admitted free of duty under item 79. Commercially, these carnation cuttings in their first year are known as seedling carnations, and it is to clear up a doubt in the minds of the Customs Department and to make it clear that these carnation cuttings in their first year are seedling carnation stock, that this item is put in.

Mr. MACLEAN: And there is no change?

Mr. WHITE: No.

Mr. GRAHAM: Can the hon. minister tell us what is the duty in the United States on this item? The reason I ask is that there are florists who do business on both sides of the line—say they might have a place at Alexandria bay—and I just wondered whether they were accorded the same treatment on the other side of the line.

Mr. WHITE: I am not advised as to that.

Item agreed to.

99a. Dried or evaporated bananas per pound —British preferential, free; intermediate, ½c.; general, ½c.

Mr. OLIVER: What was the former duty?

Mr. WHITE: It was formerly 25 per cent under the general tariff; British preferential 17½ per cent.

Mr. OLIVER: Is this a reduction?

Mr. WHITE: Yes.

Mr. LOGGIE: The item I want to call particular attention to is 83 of the tariff, and I suppose ordinarily it would come in here.

Mr. WHITE: I have no objection to my hon. friend dealing with that now.

Mr. LOGGIE: Mr. Chairman, I have a matter to bring before the committee which I think is very important to the whole population of Canada. It primarily refers to the basic industry of Canada, agriculture, and I should be glad if the minister would consider that I present this resolution not from a party standpoint. I desire the minister to consider it on its merits, and waive, for the time being, consideration of the fact that I am on this side of the House, while he occupies a seat on the right of the Speaker. I admit that in my arguments there may be some remarks that will be considered of a partisan character, but the resolution itself I think ought to be received by every hon. member not from a party standpoint. The resolution I intend to move involves the admission into Canada free of duty of potatoes, the growth and production of the United States. In this connection I would refer to the remark of the minister in his Budget speech. Speaking of the increased exportation from Canada during the last few months of last year, he said:

> I think the increase is due, in large measure, to the Underwood tariff, which has placed live stock, dairy and certain other farm products, fish and manufactures of lumber, and other natural and manufactured products of Canada upon the free list.

I assume that the minister, in using these words, led members of the House to believe that it was his opinion that the increased sale of these commodities in the United States markets inured to the benefit of the Canadian producer. If there were no increased prices for these commodities during these months after the Underwood tariff went into effect, I ask, why should there be an increase of exportation? If the value was not enhanced by the duty remitted by the United States on the commodity we have to sell, why did the increased exportation take place at that particular time?

If it can be demonstrated that the United States consumer received the benefit of the reduction of the duty upon articles going into the United States, why would the exports be increased at that particular time? I propose to demonstrate to the committee that the enhanced value inured to the Canadian producer; just as soon as the United States tariff was taken off, because of the increased value, his exports found market across the line.

Mr. BRADBURY: Where did the increase come from?

Mr. LOGGIE: It came from Canada. Canada had the goods to sell and Canada got a better price for them; as soon as the increased value came about, the goods were placed upon the market. Perhaps I should first of all demonstrate, if I can, how the duty affects the prices of the products of the Canadian people, especially commodities that have no world market value. I think we are all united in the principle that any tax imposed upon an article will increase the cost of that article to the extent of the amount of the tax, and that the consumer pays the increased cost. Suppose a New York merchant wants to buy a case of clothing in Huddersfield at a cost of £100, or $500. On that case of clothing there is 50 per cent duty, so that the cost, including duty, would be $750. To that amount we may reasonably add 20 per cent wholesaler's profit, which would bring the amount up to $900, and to that we may add the retail man's profit, bringing the amount up to $1,350. All hon. gentlemen will admit that not only the duty but the profit on the investment of the amount of the duty must be paid by the consumer.

Mr. BURNHAM: How would it be if the profit were made on this side of the line?

Mr. LOGGIE: The same thing would be true on this side of the line. Of course, there are exceptions to the rule; I will come to that later. I am now endeavouring to establish the principle that the country that imposes the duty taxes its consumers just to that extent.

Mr. BURNHAM: Is the American consumer affected in that way?

Mr. LOGGIE: I have endeavoured to show the committee that in the illustration which I have given the consumer is affected by having to pay not only the

50 per cent duty but the retailer's profit on that duty as well. The first cost of the article was only $500; the consumer has to pay $1,300 for it. There are exceptions to every rule, and there are exceptions in the case of small countries lying adjacent to countries with large populations. With eight million people, a border line of some three thousand miles, and situated adjacent to a country of one hundred million people, if we in Canada have a commodity that has no world market value and which finds a market in the larger country, in every case the Canadian producer has to pay the cost of duty. For this reason many of the commodities that have no world market value are necessarily more or less of a perishable nature, and they are marketed through produce commission merchants. In other words, we must sell our commodity at the market price of the larger country. If we in Canada can sell our potatoes in Boston, no matter what the market price in Montreal or elsewhere in Canada may be, we must sell them at the price which the potatoes bring in Boston, less whatever the extra charge may be. If a duty is imposed, the result is that the price is that much less to the Canadian producer. That is absolutely true of all the fish that we export from Canada. Here let me point out what a boon it is for the people of Canada to have a free market for their fish in the United States. In Canada we have a small population and we produce a surplus of certain commodities that have no world market value; we must put those commodities on the nearest available market or not market them at all. Let me illustrate this in another way. From the north shore of New Brunswick we produce each year about 200 carloads of smelts. Canada consumes probably 10 per cent of that 200 carloads; the other 180 carloads find a market in the United States. That fish could not be sold on any other market at any price; therefore we are compelled, as a matter of course, to send them to the United States market and accept market conditions that exist when our fish arrive there. If the weather is stormy and the fishing smacks from New York and Boston cannot go out to the fishing grounds, of course the market is bare of fish and our product may rise in price. The weather also affects the price considerably, and I need not say that supply and demand has much to do with it. The point I wish to make is that the price on the New York market will be the same, duty or no duty, and if there be no duty the net results will be that much better to the producer in Canada. When the duty was taken off live stock its value increased. The same also applies to fish and potatoes, as I will demonstrate a little later on. The removal of the duty against fish going into the United States has been a great boon to the fishermen. I do not know whether the minister was present when I mentioned that 382 tons of smelts were shipped from my own county in the month of February alone. Formerly, there was a duty of $15 a ton, so that its removal meant a saving to the fishermen in one month alone of upwards of $4,000.

Mr. BRADBURY: Did the fishermen get better prices ?

Mr. LOGGIE: Prices were never higher than last year. One hundred and eighty carloads at $15 per ton means $27,000 in the pockets of the fishermen.

Mr. DAVIDSON: Did the fishermen get that ?

Mr. LOGGIE: Yes.

Mr. DAVIDSON: Did the producer get the benefit of the removal of the duty ?

Mr. LOGGIE: Without a doubt.

Mr. DAVIDSON: How much higher prices did the hon. gentlemen pay fishermen for smelts last year ?

Mr. LOGGIE: Three-quarter cents a pound more than they would have got if that duty had been paid into the United States treasury. The resolution I wish to place before the committee has to do with this question of who pays the duties collected by the United States. Let me tell the committee what the exports of potatoes amounted to from New Brunswick in the months of October, November and December last. A table can also be got from the Customs Department giving figures for the whole year. There were shipped from New Brunswick in October, 200,829 bushels of potatoes valued at $95,525; in November, 269,269 bushels valued at $101,592; in December, 181,655 bushels valued at $72,963; or a total for the three months of 650,753 bushels valued at $270,080. The duty paid into the United States treasury was $27,008 on the three months' shipments from New Brunswick alone.

Mr. EDWARDS: How do you account for the falling off in December?

Mr. LOGGIE: I fancy every hon. gentleman knows that the United States put an embargo on our potatoes in December.

Mr. BLAIN: What is the matter with your potatoes down there?

Mr. LOGGIE: If I was being questioned under oath I think I could very truthfully say I do not know.

Mr. BURNHAM: How do you propose to abolish the American duty?

Mr. LOGGIE: If this resolution passes, ipso facto the duty is abolished.

Mr. EDWARDS: Would the embargo ipso facto go off?

Mr. LOGGIE: No the embargo is not ipso facto.

Mr. H. CLARK: If reciprocity had gone into effect would that embargo have been put on potatoes?

Mr. LOGGIE: That is not a fair question. I am not administering the affairs of the United States, so I do not know. If there is a reason for the embargo being put on, I suppose it would be put on; and I assume that they had good cause. We would do the same thing in Canada.

Mr. BURNHAM: If the hon. gentleman considers that potatoes are properly embargoed, what is the use of discussing this?

Mr. LOGGIE: I am surprised at my hon. friend asking me such a question as that. He knows very well that next week or next month the embargo may be removed, and that next season we shall have to pay the duty. We could avoid that by passing this resolution to-night—now is the accepted time.

Mr. J. J. HUGHES: I might mention that an official of this Government admitted at the conference in Washington in December last that Canadian potatoes were diseased. It was an unfortunate admission—there was no need of it—which had much to do with the embargo being put on.

Mr. LOGGIE: These potatoes netted the producer forty-two and one-half cents per bushel f.o.b. Canada. In nineteen years out of twenty, potatoes are much dearer on the United States market than on the Canadian market.

Mr. EDWARDS: What was the price on the other side?

Mr. LOGGIE: I have not the prices here, but I can promise you that they were sold on the basis of forty-two and one-half cents a bushel, plus duty and freight. Of course, I do not know whether they were sold through commission merchants and whether those charges were deducted from the account sales or not.

Mr. EDWARDS: Has the hon. gentleman the importations of potatoes into Canada?

Mr. LOGGIE: Yes, I will give the figures in a few minutes. The potato-raisers, or growers, are men and they do not fear competition from any country in the world. We have the men of brawn and brain, we have the climate, we have the soil and we can compete with the world on potatoes. By these tables the committee will see that in three months we exported to the United States 650,000 bushels of potatoes, of a value of $270,000.

Mr. EDWARDS: How much did we import?

Mr. LOGGIE: I will give the hon. gentleman that in a few moments. We exported $270,000 worth of potatoes and the Canadian producers paid into the United States treasury in the form of duty, $27,008. Let me give the hon. gentleman the information he asks for. This also is a statement prepared by our customs authorities, and it is a table of the imports of potatoes from October, 1912, to November, 1913, both inclusive. The figures are as follows:

Province.	Quantity. Bushels.	Value. $	Duty. $ cts.
Ontario	245,573	205,974	49,114 60
Quebec	62,193	53,143	12,438 60
Nova Scotia.. ..	1,500	1,484	300 00
New Brunswick.	152	180	30 40
Manitoba..	34,027	29,357	6,800 54
Saskatchewan. ..	4,024	3,563	800 80
Alberta	11,640	8,994	2,338 00
British Columbia.	32,368	30,530	6,447 36
Yukon	24,533	23,477	4,906 66

We thus find that during a term of fourteen months there were imported into Canada 416,010 bushels valued at $356,702, and on which a duty of no less than $83,167.04 was paid.

Mr. EDWARDS: Who paid that duty?

Mr. LOGGIE: The Canadian consumer.

Mr. EDWARDS: And the Canadian consumer paid it when it was exported?

Mr. LOGGIE: No, the Canadian producer pays it then.

Some hon. MEMBERS: Oh, oh.

Mr. LOGGIE: Hon. gentlemen seem to enjoy that, but I challenge contradiction

of the statement I have made. I have had practical experience and they have not.

Mr. SEXSMITH: What is the duty on potatoes going into the United States now?

Mr. LOGGIE: Ten per cent.

Mr. EDWARDS: If the Canadian consumer paid that duty, as the hon. gentleman alleges, was it not in the interest of the Canadian producer of potatoes?

Mr. LOGGIE: No, it was not. These potatoes were practically all imported into Canada during the season when our own potatoes are not palatable, before our new potatoes are ready for market. Most of the potatoes that I have referred to are imported into Canada during that interval. Therefore, by no means is the Canadian farmer hurt by the importation of these potatoes. I want to demonstrate if I can to hon. gentlemen how much the Canadian consumer has paid for these potatoes and then we will have some idea why it is we complain of the high cost of living in Canada. But by this table we find out that the cost of these potatoes f.o.b., shipping point, was 85½ cents per bushel. We must add to that the duty under tariff item No. 83, which is as follows:

Potatoes, n.o.p per bushel—British preferential, 12½ cents; intermediate, 17½ cents; general, 20 cents.

The price, plus the duty, makes the cost $1.05½ per bushel. Then, there is the freight which I can only estimate and I fancy it is perhaps not too much to say that it will amount to 20 cents a bushel, which brings the amount up to $1.25½. I put down the retailers profit at fifty cents per bushel.

Some hon. MEMBERS: Oh, oh.

Mr. LOGGIE: I challenge hon. gentlemen, if they are anxious to make money, to go into that kind of business, retail these potatoes all around the country and make a success of it at a less profit than fifty cents a bushel. With a retailers profit of fifty cents we have as the cost $1.75½ per bushel. This cost applies to the 416,000 bushels of potatoes imported into Canada during the off-season when our own potatoes are not very good, and before our new ones are ready for the market. What does that mean? It means that the Canadian consumer has paid no less than $5.25 per barrel for these potatoes. That, surely, is some evidence of the high cost of living in Canada.

Mr. BLAIN: Does my hon. friend suggest that the retailer makes a profit of fifty cents a bushel on potatoes?

Mr. LOGGIE: I should think that if a retailer paid $1.25 for a bushel of potatoes, took them into his store, sold them out by the peck or the half-peck, delivered them with a team and kept up a staff, there could not be a less profit than fifty cents a bushel on the average.

Mr. STEVENS: That is based upon the lobster business.

Mr. BOIVIN: Remember that these are new potatoes.

Mr. LOGGIE: What has this to do with the lobster business. My hon. friend (Mr. Stevens) should make a more pertinent remark than that, unless he wants to insinuate that every man who retails potatoes is a lobster. We sold in three months from New Brunswick, $270,000 worth of potatoes, to which you must add, to get the cost and duty value, the duty amounting to $27,088, which gives $297,088 as the cost, duty added in the United States.

Mr. SEXSMITH: Would it not be much better for you to sell these potatoes in Ontario, if you could only get 42½ cents a bushel for them?

Mr. LOGGIE: I am surprised at the hon. gentleman asking such a question. I venture to say that there is not a household in Ontario, that has not had its regular supply of potatoes during the past few months. Does the hon. gentleman mean to say that even if Ontario does not want our potatoes we should send them up there and say: 'you must take our potatoes, we have no other market for them.' That contention is absurd.

Mr. SEXSMITH: There would be an abundant market all the year around in Toronto.

Mr. LOGGIE: It is absolutely unfair for the hon. gentleman to make that allegation. I have demonstrated that we sent out of Canada 650,000 bushels of potatoes, and I know now where there are thousands upon thousands of bushels of potatoes awaiting a market, and because of the potato embargo by the United States at the present moment, there will be considerable loss to the farmers of Canada.

Mr. DAVIDSON: It is the embargo you want removed?

Mr. LOGGIE: I will help you to get the embargo removed if you help me now. Had

there been no duty on potatoes entering the United States, the farmers of New Brunswick would be richer on three months' shipments of potatoes by the sum of $27,088.

Mr. EDWARDS: Did I understand the hon. gentleman to say that the price is 85 cents, and then he added 20 cents a bushel on to that?

Mr. LOGGIE: Yes.

Mr. EDWARDS: That is coming into Canada?

Mr. LOGGIE: Yes.

Mr. EDWARDS: I noticed the hon. gentleman said, speaking of exportations, that the price is 42¼ cents.

Mr. LOGGIE: Yes.

Mr. EDWARDS: How do you account for it that there is only a difference of 20 cents, when the price is 42¼ cents on one side and 80 cents on the other?

Mr. LOGGIE: I am surprised that the hon. gentleman should ask such a question. I have explained that we purchased these potatoes in the United States at a period before our new potatoes are ready for the market.

Mr. EDWARDS: What time of the year is that?

Mr. LOGGIE: The large importations into Canada are in June, July and August. This 85½ cents is what the Customs of Canada tell us was the cost price of these potatoes at shipping points. The other charges we know. I have estimated the freight, I know what the duty is, I have estimated what the profit was, and I say now that these potatoes cost the consumers of Canada practically $5 per barrel, for every barrel of them. And yet you tell me you want a duty to protect the farmers. Who gets the benefit? Does the farmer get any benefit from that duty paid into the Canadian Customs?

Mr. SEXSMITH: Have you no potatoes in New Brunswick to sell in June and July?

Mr. LOGGIE: We have some old ones, and not many of them.

Mr. CARVELL: We have no new potatoes until September.

Mr. LOGGIE: I have worked out what this $5 per barrel means to the people of Canada. By the table I received from the Customs, I find that for the 14 months the cost of the potatoes imported into Canada was $356,702, and the duty paid $83,167.04, the cost and duty being $439,869.04. Add to that the cost of selling and the profit at fifty per cent.

An hon. MEMBER: That is a pretty good profit.

Mr. LOGGIE: I am doubtful if any vegetable man does his business at a profit of less than fifty per cent. At any rate that is the estimate I have made, and while it may not be correct, you can take it for what it is worth. Therefore, the cost value of the potatoes imported into Canada during the 15 months would be $356,702, the duty $83,167.04; total, $439,869.04, and fifty per cent profit, $219,434.52, or a total cost to the consumers of the potatoes imported amounting to $659,803.56, under our present law. If there was no duty, then the invoice cost would be $356,702, fifty per cent profit, $178,351, total $503,053, and the difference between these two amounts would be $124,750.56, which would have been saved to the consumers of Canada if these potatoes had come into Canada free of duty.

Mr. SUTHERLAND: Have you the quantity imported during each month of the time referred to?

Mr. LOGGIE: Yes. Ontario is a large importer of potatoes. From the United States, in October, 1912, there were imported 441 bushels; November, 981 bushels; December, 2,845 bushels; January, 1913, 359 bushels; February, 755; March, 1,781 bushels; April, 4,308 bushels; May, 3,792 bushels; June, 42,105 bushels; July, 126,299 bushels; August, 53,998 bushels; September—this is about the time our potatoes are ready for the market—6,705 bushels; October, 366 bushels; November, 1913, 538 bushels. Total, 245,573 bushels. These potatoes are practically all imported during the months of June, July and August.

Mr. SEXSMITH: What year ?

Mr. LOGGIE: 1912 to 1913.

Mr. SEXSMITH: During the year 1913-14 the importations would be much less.

Mr. LOGGIE: This is up to November, 1913. The same thing applies to the whole of Canada. For the province of Quebec, in October, 1912, there were only 5 bushels imported; in November, 8 bushels; in December, 10 bushels. Importations were practically all in June, July and August. In Nova Scotia, the same thing applies:

in July and August, we import some potatoes from the United States for the reason that our own old potatoes are hardly fit for use and the new ones are not ready. In Manitoba, nearly all the importations are in the months of June, July and August. The same thing applies to British Columbia.

Mr. SUTHERLAND: Were all these potatoes imported from the United States ?

Mr. LOGGIE: Every bushel. The statement comes from the authorities over in the west block.

I want to say to the minister that this imposition of 20 cents a bushel by the Canadian Government is of no benefit to the farming community of Canada. We import these potatoes at a cost of 85½ cents a bushel f.o.b.

Mr. EDWARDS: For how long has it not been a benefit to the farmers ?

Mr. LOGGIE: For as long as the duty has been imposed.

Mr. EDWARDS: This is the first time you have come to that conclusion, although you have supported a Government for fifteen years.

Mr. CARVELL: They always go to that argument when you have them cornered.

Mr. LOGGIE: I think I can handle that all right. If by taking the duty off potatoes coming into Canada, we were going to hurt the Canadian farmer to any appreciable extent, then my argument would not carry the weight that it does; but from my knowledge of how this trade arose and of the importing of potatoes going on in all parts of Canada, I believe that the Canadian farmer will not be hurt by the importation of potatoes into Canada. I repeat what I have already said, that 19 years out of 20, potatoes are much dearer in the United States than in Canada; and if dearer in a market, how can they be brought in and sold to compete with the prices that we get for our potatoes?

Mr. STEVENS: Does the hon. member refer to the whole American market or just to the Boston market with which he is familiar ?

Mr. LOGGIE: I think there is no difference in the markets of the United States, except on account of transportation.

Mr. STEVENS: There is a vast difference.

Mr. LOGGIE: I admit that transportation is a very important factor in the matter, and I am perhaps dealing more particularly with markets that are nearer us. Except as regards the question of transportation, there is no difference whatever.

An hon. MEMBER: What is the price in Oregon ?

Mr. STEVENS: Very much higher than in British Columbia.

Mr. LOGGIE: What is the yield in British Columbia?

Mr. STEVENS: Millions of tons, 700 bushels to the acre.

Mr. J. J. HUGHES: Where?

Mr. STEVENS: Ashcroft, Kamloops. The finest potatoes in the world.

Mr. LOGGIE: What price does the farmer in British Columbia get for his potatoes on the field at the digging season; that is to say, if the digging season is in the month of October?

Mr. STEVENS: I could not say off-hand They are sold by the ton.

Mr. BURRELL: The price varies from $12 to $20 a ton, or 60 cents a bushel.

Mr. LOGGIE: Let me tell the hon. gentleman what price the United States got for the potatoes they imported into British Columbia. The potatoes imported in October, 1912, to November, 1913, according to the table, cost practically $1 a bushel f.o.b. United States points.

Mr. STEVENS: The hon. gentleman refers to new potatoes from California and Oregon.

Mr. LOGGIE: Supposing I do, how does that affect the case?

Mr. STEVENS: There is a vast difference.

Mr. LOGGIE: These are potatoes you import every month in the year, and that is the average price.

Mr. STEVENS: Will you give me the quantities imported every month?

Mr. LOGGIE: In 1912, in October, 662 bushels; in November, 970 bushels; in December, 547 bushels; in 1913, in January, 280 bushels; in February, 50 bushels; in March, 1,611 bushels; in April, 482 bushels; in May, 1,995 bushels, in June, 6,697 bushels, in July, 14,601 bushels, in August, 3,045 bushels. Then we come to our time for potatoes; in September, 970 bushels; in October, 239 bushels; in November, 219 bushels, or a total of 32,368 bushels of the

value of $30,530, or practically a dollar per bushel on the average.

Mr. STEVENS: Nearly all new potatoes?

Mr. LOGGIE: Would they be new potatoes in October, November, December, January and February?

Mr. STEVENS: Take the figures for the three months on new potatoes.

Mr. LOGGIE: That is exactly what I have tried to present to the House—that we import practically nothing but new potatoes, and import them at a very high price because we have not got them in Canada. If we had them in Canada they would be cheaper.

Mr. STEVENS: People are prepared to pay for them out of season.

Mr. LOGGIE: The hon. gentleman may be prepared to pay more for them; but other people may not have so much spare cash as he to pay that extra price, especially when it has no result except to enrich the treasury of Canada. No other person gets any benefit. I say this means an increased cost of living on the importations of potatoes into Canada of $125,000, and without any benefit accruing to the farmers of Canada.

Now, Mr. Chairman, I wish to hurry on We have power now, by passing the resolution I shall place in your hands in a few moments, to give effect to this desirable situation, that as soon as we put the potatoes on the free list coming into Canada, our potatoes going into the United States, will, ipso facto, enter the United States market free of duty.

Mr. EDWARDS: Except for the embargo.

Mr. LOGGIE: Never mind that, I will come to that later on. I allege that Canadians paid in fourteen months duty on imports of potatoes to the amount of $83,167.04, and this amount must be added to the invoice cost of potatoes of eighty-five and one-half cents per bushel, making them cost, without freight, but simply cost and duty, over $3 per barrel. In addition to all this borne by the Canadian consumer, I allege, and can establish beyond question, that the New Brunswick growers of potatoes on their shipments in three months paid into the United States treasury $27,008 for duty. Now, had there been no duty, that $27,008 would have been jingling in the pockets of the farmers of New Brunswick. Now, what earthly reason can there be for this tax? It is much worse than an export duty, because if we put an export duty on our potatoes, at least our own Canadian treasury would reap the benefit. But by leaving our potatoes on the dutiable list for the United States we, to all intents and purposes, put on an export duty for the benefit of the United States treasury.

Mr. EDWARDS: What reason did Mr. Fielding give for keeping on the duty?

Mr. LOGGIE: I am surprised at the hon. gentleman asking such a question. He knows as well as I do that when Mr. Fielding, or the Liberal party, went to the country in 1911, it was on the proposition that we should have an interchange of natural products, practically not interfering with manufactured products.

Mr. DAVIDSON: Why did they wait so long before bringing that in?

Mr. LOGGIE: I will tell the hon. gentleman. I would like to have it out with him. Let me tell him what, perhaps, he does not know, that from 1879 to 1896, the waiting policy was the policy of the Conservative party. Every time they went to the people they went on a platform of protective tariff and reciprocity in the natural products of the United States. And they waited, and waited, and waited.

Mr. EDWARDS: And what did you do in 1896?

Mr. LOGGIE: In 1896 the Liberal party revised the tariff, reduced the duties to some extent and then adopted the same policy of waiting to see if the United States would allow our natural products in, in exchange for a similar concession on our part. The policy of interchange in natural products was the policy of both parties until 1911. Hon. gentlemen are quite familiar with the reason why it was not made effective—it was simply that the United States were not ready for it. And they know why the interest was manifested in having natural products put on the free list as between these countries; it was because the United States put a clause in their tariff imposing a penalty duty upon commodities entering their country from a country that did not receive the same commodity from the United States at as low a rate as that under which it was admitted from any other country. And then it resulted in friendly relations. The people of Canada made a grave mistake in 1911, but let us act upon the conditions which exist at the present time.

We have to-day in the United States the very tariff for which the Conservative party waited for eighteen years; the very tariff for which the Liberal party waited for fifteen years. It is offered to us to-day;. are we friendly or unfriendly? I allege that the United States tariff of to-day is most friendly towards Canada. When the hon. Minister of Trade and Commerce was speaking in New York two years ago, I think, he held out the olive branch, and said that when the United States reduced their tariff Canada would probably reduce her duties or give some advantage to American goods coming into Canadian markets. The United States tariff is to-day a most friendly one. I keenly regret that the minister made during the course of his Budget speech a statement which, read between the lines, might be regarded as unfriendly towards the United States. Never in forty years of Canadian history has any minister of finance made such a remark as this, indeed, the very opposite has prevailed from the time of Confederation up to the present day. This was the remark of the hon. minister:

> Speaking generally, it is not advisable that a nation's tariff should be so arranged as to fit into the particular features of that or any other nation.

Why did the minister make that remark, having regard to the friendly tariff which has just been put in force by the United States? For forty years we have had an unfriendly tariff; we have sought their friendship so far as tariff has been concerned; we have wished that they would put our natural products on their free list. This they have done as far as a large number of our natural products are concerned. But the minister almost says we do not reciprocate your kind consideration; we do not appreciate what you have done with regard to the putting of our natural products on the free list. I regret this exceedingly, because I think that it is an epoch in the history of Canada when the United States gives us free markets for our natural products, which are of immense value to our Canadian producers. I do not believe that hon. gentlemen fully realize the great possibilities of our Canadian potato production, especially when we have a market of one hundred million people to the south of us. Gentlemen should not forget that the population of Canada is proportionately two rural to one urban, while in the United States the population is two urban to one rural.

Some hon. MEMBERS: No.

Mr. LOGGIE: Well, that is the way Mr. Sifton put it to the House when he was speaking on the subject.

Mr. BURRELL: Our population is in the proportion of 45 urban to 55 rural.

Mr. LOGGIE: In any case, what I want the minister to bear in mind is this: that the United States tariff to-day is a friendly one and that we in Canada should act in a businesslike way and take advantage of the benefits which are offered to us by the friendly tariff of the United States. I have special reference to potatoes. I quote from the free list of the United States tariff, item 581:

> Potatoes, dried, desiccated, or otherwise prepared, not specially provided for in this section, provided that any of the former specified articles shall be subject to a duty of ten per centum ad valorem when imported directly or indirectly from a country, dependency or other subdivision of government which imposes a duty on such articles imported from the United States.

From the day, therefore, that Canada puts potatoes on the free list our Canadian product will enter the United States free of duty, and the result will be a decided benefit to the Canadian producer. Under present conditions we dare not increase our planting because if the Ontario crops are exceptionally good, what will the Maritime provinces do with their surplus produce? We have the West Indian market, but it is a limited market. I have endeavoured to argue this matter according to the facts, and if my remarks are partisan it simply shows that I am on the right track. And if I am right, surely the minister is big enough to take this matter up and deal with it on its merits.

Mr. BLAIN: If we had free trade between Canada and the United States on potatoes, what effect would it have on the price of potatoes in Canada when the United States have a large surplus crop, which very often happens?

Mr. LOGGIE: I thought I had made myself perfectly clear on that when I said that in nineteen years out of twenty, potatoes are much dearer in the United States than in Canada; and if they are dearer in the United States why in the name of common sense should we want them here? If we can get our own potatoes at 42½ cents a bushel, why should we want their potatoes at 75 cents a bushel or perhaps a smaller amount than that?. Hon. gentlemen should bear in mind that thirty barrels out of every carload of three hundred barrels of potatoes go to pay the duty.

Mr. EDWARDS: The hon. gentleman says that in nineteen years out of twenty the price is higher on the other side. That means that in nineteen out of twenty years they would not be sending them over here.

Mr. LOGGIE: When we have not our own potatoes, we would pay the higher American price.

Mr. EDWARDS: That would be in one year out of twenty.

Mr. LOGGIE: What I said was that there is a market price for potatoes at digging time and in the following three or five months. I say that in nineteen years out of twenty the market price in the United States is higher than in Canada, and therefore there is no danger of American potatoes interfering with our home market. We buy American potatoes when our own are not available; that is, between seasons when our own potatoes are not palatable to city customers, at any rate. American potatoes are perhaps largely imported into Canadian cities during the months of June, July and August. I appeal to the minister to consider my resolution not from any party standpoint but for the following reasons: It will synchronize with the Underwood tariff. I have already pointed out that the United States tariff was unfriendly for forty years, and that it is now friendly; it will enrich our potato growers and will do them no harm because importations are principally made at high cost, and when old potatoes are not palatable, and before Canadian new potatoes are on our market. It will not harm our farmers because in nineteen years out of twenty potatoes are dearer in the United States than in Canada. It is urgent in the future interests of our trade and commerce; it will pave the way for enlarged markets, and increased production of Canadian potatoes; it will bridge the chasm between theory and practice, as we will realize a levelling of prices on potatoes as between Canada and the United States, resulting in immense possibilities for our farmers; it will remove from the minister's speech a sting of unfriendliness that may be read into it—I have already referred to that paragraph. It was the policy of the Conservative party, until 1911, at any rate, to have exchange in natural products. I think the minister might strain a point and put this one item on the free list. To-day and not to-morrow, this session and not next session, is the important time to act. Our non-action may be interpreted as not appreciating the United States market, and the offer may be removed. We had a similar offer on our statutes for years, but deaf ears caused it to be withdrawn. Why enrich the United States treasury by $38.25 per carload on all potatoes from Canada to the United States when this money can be put into the pockets of our farmers? I have already mentioned that in three months the duty paid on the exportation of potatoes from New Brunswick alone amounted to $27,008. With free entry for our potatoes into the United States our potato growers would prosper, I am sure, in an unprecedented manner. We sent our deputy minister to Washington to get the embargo removed—proof of the value, in the opinion of the Government of the day, of the United States market for our potatoes. Put potatoes on our free list, and, ipso facto, our potatoes will be free into the United States. I have very much pleasure in moving the following resolution, seconded by Mr. J. J. Hughes, of Kings, P.E.I.:

That resolution 3, schedule 'A,' be amended by adding after 79a, the following:

That tariff item No. 83 be amended by adding thereto the following words: Provided, however, that potatoes dry, desicated or otherwise prepared, being the growth and production of the United States, shall be admited free of duty when, and as soon as, the United States removes the embargo regulations now existing against like articles, the growth and production of Canada.

Mr. WHITE: I have listened with much pleasure and interest to the remarks of my hon. friend, and I am sure he will acquit me of any discourtesy if at this late hour I do not reply at any length, as he has covered a good deal of ground. I notice that my hon. friend from South Renfrew looks tired and I certainly feel tired. I think we should promote the national interests if we all went home to bed rather than stay here to continue this discussion. The resolution of my hon. friend synchronizes with the embargo against our potatoes. I take the position that we must negative this resolution as being inconsistent with the fiscal policy which I have announced in the Budget. I hope my hon. friend will not think I am dealing in any way abruptly or cavalierly with his resolution, and will acquit me of any discourtesy if I do not deal with it at any greater length.

Progress reported.

On motion of Mr. White, the House adjourned at 12.35 a.m. Wednesday.

INDEX

THIRD SESSION—TWELFTH PARLIAMENT, 1914.

Abbreviations:—1r., 2r., 3r. = first, second, or third reading. Amdt. = Amendment. Com. = Committee. Con. = Consideration. Div. = Division. M. = Motion. Rep. = Report. Res. = Resolution. Sec. = Section.

Acme-Carbon mails, 2687.

Address to H.R.H. the Governor General, on departure from Canada, 5275.

Address in reply to Governor General's Speech, 4, 49, 94, 127, 167, 202, 259, 285.
Amendments proposed: Sir Wilfrid Laurier, 22; Mr. Neely, 267.

Adulteration Act Amendment Bill. 1r., 1433. 2r., 2388. Com., 3362. 3r., 3362.

Advertising, fraudulent. *See* Criminal Code Amendment Bill.

Aerial navigation, 2972.

Agricultural implements
Duties on: m., Mr. Knowles, 1548; div., 1602.
Extent of industry, 572.
Rebate on raw material, 1360.
Tariff on, 3140.
Valuation for duty, 2958.

Agriculture
Department
Employees, 341, 363.
Entomology, division of, 1130.
Estimates, 341, 1098-1111, 1130-1163, 1670-1688, 2370, 3487-3504.
Encouragement of, 6, 8, 76, 81, 84, 109, 171, 179, 225, 292, 301, 303, 358, 809, 1143-1162, 2956.
Experimental farms, 1098, 1135, 1154, 2370, 3487.
Gazette, 1098, 1161, 1670.
Insect pests, 1130, 1155.
Kentville, tuberculous cattle at, 4559.
Quebec, in, 1143, 1148-1152, 1156-1160, 1162, 1676.

Aikins, Mr. James A. M. (Brandon)
Budget, 2645.
Transportation, 2646.
Wheat markets, 2648.
Agricultural implements, 2651.
National Policy, 2652.
Railway subsidies, 2654.
Trade of the West, 2656.
Dominion lands, 201, 3321.
Hudson Bay terminals, 683.
Senate representation, 1496.

Alaska-Yukon railway, 1433.

Alberta
Internal elevators, 473, 572.
Irrigation, 1605.
Natural gas, 357.
Rural mail, 817.

Alcohol, tariff on, 3106.

Aldershot camp, 1435.

Alert, steamer, 308, 325, 423-429, 474, 669.

Alexander post office, 2960.

Alguire, Mr. D. O. (Stormont)
Old age pensions, 1352.

Alpine club of Canada, 4155.

Aluminum leaf, tariff on, 3132.

Ames, Mr. Herbert B. (Montreal, St. Antoine)
Budget, 2501.
Trade outlook, 2501.
Revenue and expenditures, 2503.
Debt of Canada, 2504.
Temporary loans, 2507.
Tariff revision, 2508.
Canadian Northern Railway, 3725.

Amherst armoury, 3714, 4293.

Animals, health of, 3173.

Annapolis county mails, 345.

Antigonish
Customs collector, 3860, 3893.
Food inspector, 666.
Immigration agents, 573, 5210
Mail service, 572
Public works, 5227.

Arcadia rural mails, 701.

Archives, 720, 740, 1769. *See also* Records.

Armouries, 666, 702, 1890, 1902, 4204, 4576, *See also* Militia Estimates.

Armstrong, Mr. J. A. Macdonald (North York)
Budget, 2592.
Agricultural implements, 2595.
Senate reform, 2595.
Free wheat, 2596.
Privilege, 3114.

Armstrong, Mr. Joseph E. (East Lambton)
Canadian Northern Railway, 3904.
Militia, 4586.
National Transcontinental Railway investigation, 2132.
Prudential Life of Canada, 2902.
Public buildings, 1900.

Armstrong. J. H., dismissal of, 2179.

Arthabaska public works, 1114. *See also* Drummond.

Art. *See* National Gallery.

Arthurs, Mr. James (Parry Sound)
Explosives, regulation of, 3869.
Georgian Bay Canal, 2969.
Indian reserves, 3546.
Iron and steel industry, 1519, 3213.
Timber licenses, 5025.

Asiatic trade, 887, 5035.

L'Assurance de Rimouski, 3894.

Astronomical surveys, 4155.

Athabaska Landing-Fort McMurray telegraph, 354.

Atlantic fishing disaster, 5194.

Atlantic, Quebec and Western Railway, 892.

Auditor General, office of, 723.

Aurora Menace, 2310, 3056, 3236.

Automobile lamp lenses, tariff on, 3133.

Avignon post office, 818.

Bad Throat river water powers, 1913.

Bagot county rural mails, 1694.

Baie des Chaleurs Railway, 358.

Baie St. Paul mails, 1819, 1914, 3058, 4368.

Ball, Mr. R. J. (S. Grey)
Brodeur, Hon. L. P., trips of, 1112.

Bank failures, 3199, 3208, 3860, 3894. *See also* Farmers Bank.

Bank rates of interest, 5199.

Banks and Banking. *See* Loan Companies *and* Trust Companies.

Banque Internationale, 4712, 4753.

Barnard, Mr. Geo. H. (Victoria, B.C.)
Asiatic immigration, 1250.
Divorce reform, 837.

Barrette, Mr. J. A. (Berthier)
Banks and banking, 3894.

Barriefield camp, 3714.

Basic slag, duty on, 444, 511, 630.
Amendment proposed: Mr. Emmerson, 638.

Bassano post office, 472.

Bathurst
Harbour, 348, 4212, 4295.
Public works, 348.

Battlefields, historic, 4183. *See also* Quebec.

Bear River wharf, 2013.

Beattie, Mr. Thomas (London)
London and Port Stanley Railway Company, 1416.

Beaubien homestead, 1842, 3331-3346.

Beauce rural mails, 1690.

Bedford public building, 2945.

Beland, Hon. H. S. (Beauce)
Agricultural implement duties, 1586.
Agriculture estimates, 1148.
Beauce rural mails, 1690.
Coal resources, 1806.
Franking privilege, 3224.
House of Commons representation, 5316.
Immigration, 1617, 1624.
Inland Revenue estimates, 1377.
Rimouski Insurance Company, 4713, 4807.

Bennett, Mr. R. B. (Calgary)
Advertising, fraudulent, 3469.
Boy scouts, 4132.
Calgary and Edmonton Railway Company, 796.
Canadian Northern Railway, 3734.
Naturalization, 4133.

Bennett, Mr. Wm. H. (East Simcoe)
Address in reply to Governor General's Speech
Pig-iron industry, 230.
Transportation, 233.
Bounties on steel, 1516.
House of Commons accomodation, 4199.
National Transcontinental Railway investigation, 2321.
Post office employees, 2379.
Transportation, 951, 2978.

Bergeron, J. C., payments to, 368.

Best, Mr. John A. (Dufferin)
Lemieux, Hon. R., trips of, 698.
Privilege, 3114.
Tariff, 3062.

Bickerdike, Mr. Robert (Montreal, St. Lawrence)
Death penalty, 4, 483, 4516.
Immigration, 1638.
Judges' salaries, 3611.
Pilotage, 3624, 5069.
Prison reform, 4514.

Biggar, Col. J. L., trip to Europe of, 1217.

Binder twine. *See* **Inspection and Sale Act.**

Biological Board, 2434.

Bishop, A., employment of, 3208.

Bisley and Canadian team, 512, 1215.

Black Cape post office, 703, 2178.

Blain, Mr. Richard (Peel)
Dismissals, 1201.
Farmers Bank, 4895.
Public tenders, 1205.

Blood Reserve grazing lease, 357.

Blue-books, translation of, 2436.

Boar's Head fog alarm. 2787.

Boivin, Mr. Geo. H. (Shefford)
Agriculture department employees, 363
Budget, 2891
Agricultural implements, 2894.
Free food, 2895.
Canadian Northern Railway, 3717, 4054
Dismissals, 1405.
Eastern Townships diseased cattle, 263.
Fenian raid veterans, 349, 440.
Granby post office, 363, 697.
Inland Revenue estimates, 1371, 1405.
Judges' salaries, 3605.
Newport Customs employees, 890, 1021, 1332.
Post offices in Eastern Townships, 3647.
Riendeau, S., employment of, 1114.
Shefford county rural mail, 363.
Tariff, 3152, 3157.

Bonaventure
Experimental farm, 357.
Indian reserves, 2544.
Mails, 1692, 2178.
Public works, 892, 1360.

Borden, Rt. Hon. R. L. (Prime Minister)
Address to H.R.H. the Governor General, 5275.
Address in reply to Governor General's Speech
Delay in meeting of Parliament, 22.
Solicitor Generalship, 22.
Highways improvement, 23.
Senate, 24.
Naval defence, 25.
Quebec terminals, 29.
Cost of living, 29.
Agricultural implement duties, 1558
Atlantic mail service, 5062.
British Columbia Better Terms Commission, 2372, 4628, 4997.
Brooke, Mrs. M. J., pension of, 4964.
Canadian Northern Railway Aid Bill, 3650, 4009, 4025-4089, 4221-4281, 4300-4334, 4376, 4399, 4452, 4548. *See a'so* 3252, 3319, 3397, 3453, 3573.
Canadian Pacific Railway and Austrian emigration, 899.
Canadian Peace Centenary Association, 970, 4961.
Charlottetown Confederation Convention, 4960.

Borden, Rt. Hon. R. L.—Con.
Cigarettes, prohibition of, 1478.
Colpitts, Mr., case of, 454.
Confederation, semi-centennial of, 1450.
Conservation Commission, 718.
Divorce
Procedure in parliament, 4882.
Reform, 838.
Dry docks subsidies, 4095.
Electoral corruption, 918.
Empress of Ireland, loss of, 4433, 4552, 4554, 4555. 4628, 4716, 4879, 4894, 4954, 5230.
Explosives, manufacture of, 1810.
Farmers Bank, 4802.
Fenian raid veterans, 4359.
Fishing disaster—appeal for government aid, 5196.
Fuller, Mrs. M. E., pension of, 4998.
Goodwin, Geo., return of deposit to, 2371.
Grand Trunk Pacific bond guarantee, 4831, 4929.
High Commissioner's office, 311.
Hindu immigration, 4295, 4369, 4566.
House of Commons
Business of the House, 1606, 3197.
Debates, French translation of, 5271.
Deputy Speaker, office of, 1365.
Easter adjournment, 2311.
Morning sittings, 2788, 3210, 3310.
Questions and answers, 880.
Representation, *See that title.*
Saturday sittings, 3784.
Wednesday sittings, 1264.
Imperial Press Conference, 4961.
Indian Act Amendment, 3482, 3540, 3550.
Intercolonial Railway
Canadian Pacific Railway traffic agreement, 594.
Management, 3286.
Suburban trains, 1065.
International Waterways Commission, 1163, 1396, 1483, 4962.
Irrigation Act Amendment, 3485.
Labour conditions
Unemployment, 5032.
Vancouver Island, 1325.
Western, 3892.
Labrador coast line, 2954.
Life-saving rewards, 5177.
Militia and religious processions, 5375.
Monk, Hon. F. D., death of, 3785.
Mounted police, 310, 708-718, 4963.
National Council of Women, 2948.
National Transcontinental Railway
Commission, 4838.
Investigation, 2353.
Management, 5099.
Montreal, connection with, 5128.
Naturalization, 4813.
Natural resources, provincial control of, 1069.
Naval service, 5157.
Navigable waters, pollution of, 1742.

Borden, Rt. Hon. R. L.—Con.

Newfoundland shipping disaster, 2517, 2995.
Newspaper reports of caucus, 1871.
Paris government office, 4966.
Parliamentary procedure
Answers of length, 1061.
Commons admendments to Senate amendments, 5034.
Privilege, basing on newspaper statements, 1121.
Returns and private papers, 4958.
Supply, Committee of, without notice, 307.
Thursday sittings and Government precedence, 696, 706, 708, 721.
Petroleum, export of, 971, 1758, 3463.
Pollution of navigable waters, 1742.
Postal rates to Britain, 3235.
Quebec Battlefields Commission, 3891, 4117.
Railway Act Amendment, 2947.
Records Departmental Commission, 4963.
Representation in the House of Commons, 611, 620, 795, 842, 866, 927, 5306, 5324, 5352, 5364.
St. John Valley railway bridges, 3883, 3959, 4024.
San Francisco exposition, 3255.
Senate representation, 1483, 1911, 3513, 5277, 5296.
Strathcona, Lord, death of, 91.
Tariff, 4432.
Tate, W., claim of, 4967.
Transatlantic mail service, 594.
Unemployed in Montreal, 3176.
Vincent, J. U., appointment of, 1410.

Borden, Sir Frederick, trips of, 570.

Boulay, Mr. H. (Rimouski)
Agriculture, encouragement of, 358, 1111, 1149.
Canada and Gulf Railway, 1022.
Clement, Hon. Justice, 2263, 2367.
Dismissals, 969, 1426.
Farmers Bank, 4896.
French guides for museums, 1816.
Immigration, 1620.
Intercolonial Railway
Appointments of chiefs, 471.
Branch lines, 5126.
Employees' wages, 471, 1016.
Management of, 3311, 4947.
Tie contracts, 1331.
Judges' salaries, 1938.
Marine signals, improvement of, 5182.
Militia, 4596.
National Transcontinental Railway stations, 1604.
Naturalization, 4818.
Naval service, 334, 346. 5173.
Ottawa as a federal district, 1889.
Pedley, F., resignation of, 817.
Pilotage, 3629.
Railway Commission, 2437.
Rimouski land purchase, 1695.

Boulay, Mr. H.—Con.

Sessional messengers, 704.
Smuggling, alleged, 1782.
Trade commissioners, 888.
Vineberg, Helen, divorce Bill, 4880.

Bounties on steel. *See* Steel.

Bourassa, Mr. J. Boutin (Lévis)
Carrier machine shops, 1819, 2961.
Dismissals, 4369, 5028.
Fenian raid veterans, 1022.
Intercolonial Railway
Double tracking, 4558.
Fire claims, 5029.
'Safety First' engineer, 2262.
Investigations into political partisanship, 2308.
Larose, Wilfrid, 1818.
Lauzon postmaster, 5029.
Lévis
Experimental farm, 369.
Rural mail, 369.
Mail bag locks, 701.
National Transcontinental Railway Quebec terminals, 2177.
Ontario Fire Insurance Co., 4295.
St. Romuald post office, 809, 4021.

Boy Scouts, 4131, 5002.

Boyce, Mr. A. C. (West Algoma)
Electoral corruption, 914.
National Transcontinental Railway investigation, 2180.
Prudential Life of Canada, 2900.
Vineberg, Helen, divorce Bill, 4881.
Wagner, Philip, 1184.

Boyer, Mr. Gustave (Vaudreuil)
Agriculture, aid to, 809.

Boyer, Mr. A. G.—Con.
Bergeron, J. C., payments to, 368.
Butter manufacture, 2385.
Chevrier et Frères, payments to, 368.
Graham wharf, 443.
Intercolonial Railway lumber purchase, 894.
Ottawa river lightkeepers, 574.
Point Fortune wharf, 3398.
Quebec seigniories, 568.
Rigaud
Post office, 442, 3638, 4021.
Wharf, 442.
Wharfs, revenue from, 368.

Boys, Mr. W. A. (South Simcoe)
Barcelona Light and Power Company, 1911, 1981.
W. C. Edwards Company, 3474.

Bradbury, Mr. George H. (Selkirk)
Butter manufacture, 3164.
Central Western Canada Railway Company, 806.
Cold storage, 3568.
Dismissals, 1199.

Bradbury, Mr. Geo. H.—Con.
Fenian raid veterans, 5001.
Indians, 3483, 3545.
Ottawa public buildings, 1878.
Pollution of navigable waters, 1745, 2013.
Tariff, 3124.
Winnipeg-Gimli train service, 4629.

Brantford public building, 817, 871, 5218.

British Columbia-Alaska Railway, proposed, 1870.

Bristol, Mr. Edward (Toronto Centre)
Better Terms Commission, 359, 2372, 4628, 4997.
Canadian Northern Railway, 3787, 4254.

Broder, Mr. Andrew (Dundas)
Address in reply to Governor General's Speech
Naval defence, 177.
Highways improvement, 177.
Cost of living, 178.
Agriculture, aid to, 179.
Cigarettes, prohibition of, 1473.

Brodeur, Hon. L. P., trips of, 1112.

Brome rural mail service, 703.

Brooks, Mrs. M. J., pension of, 4964.

Brouillard, Mr. Ovide (Drummond and Arthabaska)
Arthabaska public works, 1114.
Dismissals, 1023.
Drummond and Arthabaska post offices, 1019.
Le Present printing contracts, 1534.
Newspaper advertising, 1781.
Rimouski government employees, 4021.

Buchanan, Mr. William A. (Medicine Hat)
Acme-Carbon mails, 2687.
Address in reply to Governor General's Speech
Free wheat, 304.
Transportation, 304.
Agricultural implement duties, 1585.
Alberta
Internal elevators, 473, 572, 1216.
Irrigation, 1605.
Natural gas, 357.
Rural mail, 817.
Bassano post office, 472.
Blood Reserve grazing lease, 357.
Budget, 2660.
Freight rates, 2660.
Tariff, 2661.
Free wheat, 2663.
Agricultural implements, 2665.
Immigration, 2667.
Burns grazing lease, 2591.
Calgary and Edmonton Railway Company, 766.
Canadian Northern Railway, 3948, 4424.
Canadian Pacific Railway irrigated lands, 2785.
Central Western Canada Railway Company, 804.

Buchanan, Mr. Wm.—Con.
Coal lands, 365.
Coutts customs officer, 436.
Dominion lands, 3320.
Glencurrie post office, 4561.
Grain elevators, 1647.
Homesteaders' pre-emptions. 357.
Irrigation, 574, 3596.
Labour disputes, 545.
Natural resources, provincial control of, 1067.
Newspapers, postal rates on, 3238.
Ottawa building leases, 2544.
Railway Commissioners' superannuation, 574.
Ranching Commission, 574.
Rural post office libraries, 892.

Budget, 2440, 2482, 2520, 2547, 2592, 2639, 2696, 2734, 2789, 2841.
Amendment proposed: Sir Wilfrid Laurier, 2849; div., 2898.

Buffalo herd, 4155.

Bureau, Mr. Jacques (Three Rivers and St. Maurice)
Cap de la Madeleine wharf, 2959.
Grandmère buildings, 2688.
Ice breaking, 409.
Inland Revenue estimates, 1372.
Judges' salaries, 1932, 3604.
Naval service, 5167.
Penitentiaries estimates, 62368.
Post office estimates, 3647.
St. Maurice boom service, 2688.
St. Maurice Shawinigan public works, 5194.
Three Rivers
Camp, 3509.
Dismissals, 818.
Postal district, 5129.
Post office, 2688.
Preventive officer, 473.
Public buildings, 569.

Burnham, Mr. John H. (Peterborough West)
Address in reply to Governor General's Speech
Naval defence, 46.
Cost of living, 47.
Highways improvement, 48.
Asiatic immigration, 1251.
Battlefields, preservation of, 4118.
Boy scouts, 4132.
Budget, 2629.
Protection and free trade, 2630.
Labour conditions, 2635.
Butter manufacture, 3163.
Canadian Northern Railway, 2262, 2591. 3967.
Cigarettes, prohibition of, 1475.
Criminal Code and moral law, 3480.
Divorce reform, 827.
Elections Act Amendment, 478.
Electoral corruption, 907.
Farmers Bank, 3529.
Fisheries of Ontario, 1827, 1916.

Burnham, Mr. John.—Con.

Georgian Bay canal, 2973.
High Commissioner's office, 1768.
Immigration, 1618.
Judges' salaries, 1937.
Naturalization, 4532, 4544.
Ocean transportation, 2932.
Old age pensions, 1340.
Oriental industrial competition, 4558.
Panama canal rates, 3509.
Privilege, 3058.
Tariff, 1358, 3124.
Titles of honour, 479.
Trade, balance of, adjustment, 2016.
Trent canal, 4940, 4994.
W. C. Edwards Company, 3475.

Burrell, Hon. Martin (Minister of Agriculture)

Agriculture, Department of, estimates, 341, 1098-1111, 1130-1163, 1670-1688, 2370, 3173, 3487-3502.
Agricultural Gazette, 1098, 1104, 1161, 1670.
Animals, health of, 3173.
Butter. *See* Dairy Products.
Cold storage, 1680, 1752, 3559, 4172.
Cow testing, 1673.
Dairy products regulation, 1678, 1751, 2384, 2387, 3162.
Exhibitions, 1684.
Experimental farms, 1098, 1109, 1154, 2370, 3493.
Food products, inspection of, 1672, 1679, 2370.
Fruit inspection, 1674.
Horse breeding, 3493, 3501.
Insect pests, 1130-1133, 1155.
Lévis quarantine station, 1108.
Live stock industry, 3493.
Patent Office, 5200.
Patent Record, 1098.
Patents, renewal of, 1668, 1669, 2948, 3205.
Potatoes, tariff on, 3090.
Quebec, agriculture in, 1677.
Tobacco culture, 1147.

Bury drill hall, 2960.

Butter. *See* Dairy Products.

Buttons, ivory, tariff on, 3159.

Cable rates, 5246.

Cameron, A. J., Fenian raid bounty commissioner, 2960.

Campbell, Glen, charges against, 622, 1853.

Camperville and Winnipegosis mails, 2686.

Canada and Gulf Railway, 1022.

Canada Grain Act Amendment Bill. Res., 3161. 1r., 3162. 2r., 3573. Com., 3574. 3r., 3861.

Canada Shipping Act Amendment Bills

Coasting privileges: 1r., 90.
Investigations of casualties: 1r., 4552. 2r. and com., 4554. 3r., 4631.

Canada Shipping Act Amendment Bills—Con.

Pilotage: 1r., 3054. 2r., 3621. Com., 3621. 3r., 3631.
Shipping: Res., 1540. 1r., 1540. 2r., 1607.
See also Merchant Shipping.

Canada, Steamship, 2437, 3715.

Canada Temperance Act Amendment Bill. 1r., 3453. 2r., 3588. Com., 3588. 3r., 3717. *See also* 1760, 2373.

Canadian Northern Railway

Conductors, dismissal of, 2518.
Loan, application for, 1361.
Pacific terminus, 699.
Payments, 345.
Subsidies, 2262, 2591.
Terminals, 2262.

Canadian Northern Railway Aid Bill. Res., 3651, 3717, 3787, 3828, 3896, 3967, 4009, 4025, 4216, 4296, 4323, 4370. 1r., 4426. 2r., 4452. Com., 4525, 4545. Rep., 4551. 3r., 4631, 4675.

Amendments proposed
On res.: Mr. Macdonald, 3833; div., 4008.
In com. on res.: Mr. Carvell, 4014; div., 4019.
On 2r. of res.: Mr. Ross, 4376; div., 4390. Mr. Pugsley, 4391; div., 4413. Mr. Oliver, 4416; div., 4425.
On 3r. of Bill: Sir Wilfrid Laurier, 4634; div., 4663. Mr. Verville, 4664; div., 4674.

Canadian Pacific Railway

Austria, office in, 896.
Irrigated lands, 2785.
Labour award, 2961.
Lachine bridge, 3111.
Toronto-Sudbury line, 1113.
Winnipeg-Gimli train service, 4629.

Canadian Peace Centenary Association, 970, 4961.

Canadians in Mexico, protection of, 2785.

Canals, 365, 1957, 2963, 4162, 5108.

Canning factories, 1605.

Canning public building site, 1899, 4183, 5224.

Canso

Letter boxes, 703.
Reduction works, 1693, 2080.

Cap aux Corbeau wharf, 4293.

Cap de la Madeleine wharf, 2959.

Cape Breton, naturalization in, 1116.

Capital punishment, abolition of, 4, 482, 1731. 4516.

Carbons, tariff on, 3132.

Cardin, Mr. P. J. A. (Richelieu)

St. Joseph de Sorel post office, 572.
Trempe, L. J., employment of, 1434, 1695.

Carleton Centre mails, 1818, 4021.

Carleton Head breakwater, 2178.

Carnations, tariff on, 3043.

Carrick, Mr. J. J. (Thunder Bay and Rainy River)
Canadian Northern Railway, 3811.
Iron and steel industry, 1498.
Rainy River Radial Railway Company, 2950.

Carroll, Mr. W. F. (Cape Breton South)
Alert, steamer, 308, 423.
Biggar, Col. J. L., 1217.
Bridgeport postmaster, dismissal of, 3840.
Budget, 2547
Naval defence, 2548.
Immigration, 2549.
Steel industry, 2551.
Coal industry, 2553.
Cost of living, 2554.
Tariff, 2555.
Labour conditions, 2556.
Canada Temperance Act, 3592.
Canadian Northern Railway, 4027, 4081, 4227, 4667, 4671.
Civil Service, 5373.
Cold storage, 1680, 3565, 4172.
Dismissals, 1171, 3840.
Dry docks, 4092, 4111.
Excise estimates, 1414, 1417.
Explosives, regulation of, 3863.
Fenian raid veterans, 4355, 5000.
Fish and fisheries
Industry, 5275.
Protection, 1794, 1822.
Transportation, 390.
Franklin, B. J., employment of, 5217.
Glace Bay harbour, 4207.
Ice breakers, 402.
Immigration, 1643.
Indians, 3542.
Intercolonial Railway
Appointments, 1113.
Branch lines, 5115.
Management, 3313.
Standard rules, 2957.
Judges' salaries, 1944, 3611.
Labour
Disputes, 532.
Public works, on, 4205, 5202.
Lobster regulations, 5186.
Militia, 4599, 4605.
Mira river steamboat service, 2933, 5038.
Naturalization, 1116, 4139, 4537, 4820.
Naval service, 333.
Old age pensions, 1343.
Ottawa as the Capital, 1884.
Pig iron, drawback on, 3216.
Public buildings in Cape Breton, 1895.
Railway employees—hours of service, 2175.
St. Peter's Indian school, 2479.
Steamboat subsidies, 2933.
Technical education, 5207.

Carroll, Mr. W. F.—Con.
Toronto, Niagara and Western Railway Company, 3476.
Townsend, N. T., résignation of, 2436.
Vancouver Island coal strike, 1276, 4667.
Whitney Pier subcollector of customs, 433.
Winter, Lt.-Col. E. F., employment of, 2840.

Carslake Hotel purchase, 1871, 2436, 4023, 4192.

Carson. *See* Home Rule.

Carvell, Mr. Frank B. (Carleton, N.B.)
Basic slag, 643.
Bounties on iron and steel, 1520.
Butter manufacture, 2384.
Canadian Northern Railway, 3912, 4011, 4235, 4308, 4525.
Capital punishment, 491.
Carson, Sir Edward, presentation to, 1785.
Dismissals, 1196, 1388, 2424.
Divorce reform, 832.
Dorval land purchase, 1218, 2436.
Dredge Fielding, 2261.
Dredging in New Brunswick, 2078.
Dry docks subsidies, 3961.
Empress of Ireland, loss of, 4556.
Experimental farms, N.B., 1135, 1140, 3489, 3492.
Fenian raid veterans, 3367, 4341.
Fisheries, 786, 1799.
Foundation Co., Ltd., 1876.
Fredericton public works, 705.
Fundy, Bay of, navigation, 165.
Government officials in politics, 436, 1195.
Government Railways Claims Act, 2392.
Government telegraph service, 2375.
House of Comomns Debates, distribution of, 1774.
Indian schools, 2395.
Inland Revenue, appointment of Deputy Minister of, 1411.
Intercolonial Railway—Chatham Junction-Brockville Branch, 4477.
International Horse Show, 2439.
Iron and steel, bounties on, 1520.
Judges' salaries, 3608.
Kelly, W. J., case of, 1696, 1722.
Labour conditions on Vancouver Island, 526, 544, 660, 1288, 1305.
Lévis quarantine, 1218.
Light buoys, 1169.
Marion Bridge-Woodbine mails, 1116.
Militia, 2371, 3412-3440, 4527, 4592, 4620-4628.
Montreal harbourmaster, 4022.
Natonal Transcontinental Railway
Deficit, 1780.
Investigation, 2051.
Operation, 4453, 4455.
Naturalization, 4535, 4537, 4539.
Ottawa
Building leases, 2439, 2519.
Custom house, 2079.
Water supply, 1887.

Carvell, Mr. F. B.—Con.

Patents, renewal of, 2919.
Payne, Stephen, employment of, 1605.
Post Office Department automobile, 3113.
Potatoes, tariff on, 3067, 3085, 3103.
Railway mail clerks, 2381.
St. John
Custom house, 1330.
Harbour, 1331.
Marine service, 1913.
St. John and Quebec Railway, 2997, 3881, 3959.
Souris rifle range, 4592.
Southampton Railway Company, 1455, 3009.
Sussex public building, 1694.
Tariff, 3040, 4335, 4430.
Tobique Indian reserve, 816, 1359, 1535, 1915, 2590, 3534.
Transatlantic mail service, 582.
Vincent, J. U.. appointment of, 1411.
Volunteer bounty, 1396.
West Indies, trade with, 2015.
Woodstock public building coal supplies, 569.

Cassana flour, tariff on, 3043.

Caterpillar moths, 1132.

Cattle
Inspection of, 758.
United States embargo, 3065.
See also Live Stock.

Census, 842, 954.

Chabot, Mr. John Leo (Ottawa)
Civil Service, 4446.
House of Commons representation, 5309.

Chain, tariff on, 3138.

Chairman and Acting Chairman, rulings of
Acceptance of member's statement, 2420.
Estimates, though not printed in French, may be considered, 403.

Chambly canal, 2990, 4558.

Charlottetown
Confederation Convention, 4960.
Mails, 2014, 3058.

Charlton, Mr. William A. (Norfolk)
Canadian Northern Railway, 3998.

Chesley post office, 664, 5231.

Chevrier et Frères, payments to, 368.

Chisholm, Mr. Alexander W. (Inverness)
Alexander post office, 2960.
Canadian Northern Railway, 4080, 4219.
Dismissals, 1406, 1418, 1815.
Farmers Bank, 1117, 4798.
Fish transportation, 386, 393.
Fisheries advisory board, 348, 702, 2412.
Government telegraph and telephone system, 4181.
Grigg, trade commissioner, 2435.
Indians, Nova Scotia, 2474-2479.
Intercolonial Railway
Branch lines, 1740, 4867.
Coal contracts, 3194.

Chisholm, Mr. A. W.—Con.

Inverness
Fruit inspector, 1672.
Harbour, 1818.
Postal service, 815.
Steam service, 2943, 5040.
Margaree harbour repairs, 4209.
Militia, 4617.
Port Hawkesbury public building, 1895.

Chisholm, Mr. William (Antigonish)
Antigonish
Customs collector, 3860, 3893, 4435.
Food inspector, 666.
Immigration agents, 573, 5210.
Mail service, 572, 5137.
Public buildings, need of, 1896, 5227.
Cattle disease, 3175.
Decoste, Capt. J., dismissal of, 1783.
Dominion Atlantic Railway, 1115.
Duchemin, Mr., expenses of, 5239.
Eastern Extension Railway, 3183.
Fenian raid veterans, 2080, 4999.
Government officials in politics, 2407.
Guysborough mails, 1914.
Heatherton Indian reserve, 573
House of Commons
Representation, 5344.
Returns, alleged incomplete, 2377.
Immigration, 1629.
Intercolonial Railway
Antigonish bridge, 1016.
Dorchester water supply, 1015.
Extensions, 3179, 4938.
Passes, 4877.
Repairs, 5121.
Judges' salaries, 1930.
Liberator publication, 3236.
Mail clerks, 3241.
Militia, 4608, 4615, 5012.
Nova Scotia immigration agents, 1691.
Plainfield post office, 2016.
Privilege, 2085, 5955.
South Lake, protection works, 5233.
Vancouver Orange Lodge, 2591.

Cigarettes, prohibition of, 1473, 1688.

Cimon, E. H., expenses of, 664.

Civil Service
Appointments, 666, 1164.
Commission, 697.
Superannuation, 1691.

Civil Service Act (Post Office) Amendment Bill. Res., 2378. 1r., 2389. 2r., 3173. Com., 3220. 3r., 3220, 3249.

Civil Service Acts Amendment Bill. Res., 4437. 1r., 4452.

Civil Service Insurance Bill. Res., 1751. 1r., 1751. 2r., 1871. Com., 1871. 3r., 1875.

Civil Service Superannuation Bill. Res., 5364. 1r., 5374.

Clark, Mr. Hugh (North Bruce)
Farmers Bank, 3530.
Militia, 5006.

Clark, Mr. Michael (Red Deer)
Address in reply to Governor General's Speech
Delay in meeting of Parliament, 35.
Redistribution of representation, 35.
Highways improvement, 36.
By-elections, 37.
Tariff, 38.
Free wheat, 42.
Agricultural implement duties, 1587.
Asiatic trade, 5036.
British cattle embargo, 759.
Budget, 2862
Trade, 2864.
Borrowings, 2865.
Home market, 2869.
Tariff, 2871.
Free wheat, 2873.
Iron industry, 2875.
Calgary and Edmonton Railway Company, 802.
Canadian Northern Railway, 4239.
Canadians at Bisley, 518.
Dominion lands, 4890.
Farmers Bank, 4912.
Grain markets, 1658.
House of Commons representation, 869.
Naval service, 330, 5155.
Ottawa municipal government, 1883.
Pig iron, drawback on, 3218.
Steel industry, 1506.

Clarke, Mr. A. H. (South Essex)
Tobacco culture, 1147.

Clarke, Mr. W. A. (North Wellington)
Budget, 2731.

Clement, Mr. Justice, expenses of, 2263, 2367.

Clements, Mr. Herbert S. (Comox-Atlin)
Canadian Northern Railway, 4665, 4672.
Government telegraph lines in British Columbia, 2376.
Militia for Prince Rupert, 4586.
Navigable waters protection, 343.

Coal
Contracts for dredges, 923.
Lands, 365.
Royalties, 1809.

Coasting privileges, 2435, 2915-2925, 5196.

Coasting trade of Canada, 756.

Cobequid, steamer, wreck of, 165, 358, 1166.

Cochrane, Hon. Frank (Minister of Railways and Canals)
Calgary and Edmonton Railway Company, 795.
Central Western Canada Railway Company, 805.
Grand Trunk Pacific Railway, 201.
Hudson Bay terminals, 678.
Intercolonial Railway train service, 258.
Prince Edward Island Railway, 310.

Cockshutt, Mr. William F. (Brantford)
Agricultural implements, tariff on, 3143.
Brantford public building, 873.
Budget, 2529
Agricultural implements, 2537.
Cost of living, 2536.
Naval defence, 2542.
Protection, 2532.
Transportation, 2541.
Canadians in Mexico, 2785.
Confederation, semi-centennial of, 1452.
Immigration, 1624.
Naturalization, 4531, 4533, 4536.
Stone, tariff on, 873, 3127.
Trade agencies, 321.

Cocoanuts, tariff on, 3106.

Coderre, Hon. Louis (Secretary of State)
Archives Department, 1771.
Canada Temperance Act, 1760 .
Companies Act Amendment, 3397, 3861, 4806.
Explosives, manufacture of, 3587, 3861.
French translation, 5273.
Mines Department estimates, 1801-1815.
Naturalization, 1763.
Ores, treatment of, 1803.
Peat, experiments with, 1804-1810.
Printing and stationery, 724-740, 1774.
Secretary of State Department—salaries, etc., 724.
Tar sand deposits, 1812.
Voters' lists, 1760, 5267.

Coke, tariff on, 3137.

Cold Storage Regulation Bill. Res., 1752. 1r., 1753. 2r., 3559. Com., 3559, 4172. 3r., 4173. *See also* 700, 707, 1680.

Cold Storage in Nova Scotia, 700.

Coldbrook Station postmaster, 1690.

Cole Harbour wharf, 1693.

Colpitts, G. A., case of, 446.

Companies Act Amendment Bill. 1r., 3397. 2r., 3861. Com., 3861. 3r., 3861. Senate amendments, 4806.

Confederation, semi-centennial of, 1444.

Conservation
Commission, 718, 5201.
Natural resources, 3323.

Cookshire public building, 2960.

Co-operative Credit Societies Bill. 1r., 3637.

Cornwall canal, 2990.

Cost of Living, 21, 29, 40, 48, 69, 79, 87, 96, 102, 110, 121, 132, 178, 190, 245, 249, 294, 5376. *See also* Budget.

Cost of Living Commission, 356, 2436.

Cow testing, 1673.

Criminal Code Amendment Bills
Firearms and detectaphones, 1r., 467.
Fraudulent advertising, 1r., 3397. 2r., 3466. Com., 3466, 3480. 3r., 3481. *See also* 4215.

Criminal Code revision, 3058.

Cromwell, Mr. F. R. (Crompton)
St. George's Club, 3427.

Crothers, Hon. Thos. W. (Minister of Labour)
Address in reply to Governor General's Speech
Cost of living, 276.
United Shoe Machinery Co., 277.
Canadian Northern Railway, 4665.
Farmers Bank, 4726, 4923.
Labour
Estimates, 339, 523-566, 656-663, 5202.
Montreal harbour, in, 5203.
Matches, white phosphorus, 1536, 1756.
Natural resources, provincial control of, 1093.
Technical education, 4888, 5206.
Vancouver Island labour troubles, 523-566, 656, 1305.

Cruise, Mr. Robt. (Dauphin)
Address in reply to Governor General's Speech
Free wheat, 295.
Cost of living, 296.
Reciprocity with United States, 297.
Budget, 2824.
Farm implements, 2825.
Free wheat, 2825.
Camperville mails, 2686.
Canadian Northern Railway, 2518.

Currie, Mr. John A. (North Simcoe)
Calgary and Edmonton Railway Company, 766.
Militia, 3434.
Tariff, 3149.
Toronto, Niagara and Western Railway, 3275.

Currie, Ronald, 990, 1005, 1361, 1603.

Customs
Appointments, 473.
Dismissals, 963, 997.
Duties, 5363.
Estimates, 400, 422-439, 963-969, 997-1011, 2363, 2374.
Protection service, 423.
Undervaluation, 3318.

Customs Act (Pig-iron drawback) Amendment Bill. Res., 3210. 1r., 3220. 2r., 3510. Com., 3511. 3r., 3511. *See also* Tariff Bill.

Dairy Products Regulation Bill. Res., 1751. 1r., 1752. 2r., 2384. Com., 3162. 3r., 3173.

Davidson, Mr. Avard L. (Annapolis)
Fenian raid veterans, 3376.
Marine and Fisheries estimates, 2418.
National Transcontinental Railway investigation, 2150.

Death Penalty. *See* Capital Punishment.

Debt of Canada, 1116.

Delisle, Mr. Michel (Portneuf)
Montcalm, Steamship, 666.
Morrison, Lt.-Col., expenses of, 1915.
Murray Bay steamer service, 1915.
Pilotage, 666, 1219.
Portneuf lightkeeper, 1219, 3510.
St. Casimir post office, 360, 667.
Sessional indemnity, 817.

Demers, Mr. M. Joseph (St. John and Iberville)
Dismissals, 1376, 2689.
Farmers Bank, 4736.
Hansard, omission in, 4886.
National Transcontinental Railway investigation, 2250.
Paradis, L., appointment of, 2840.
Railway Act Amendment, 610, 793.
Ste. Brigide mails, 893.
St. Johns
Bridge, 2689.
Customs collector, 893.
Inland Revenue, 1021.
Rural mail, 366.
Seed grain, 369.

Denison, J. R., postmaster, 3209, 3640, 5259, 5264.

Dental machines, tariff on, 3144.

Dentistry congress, 2957.

Deputy Speaker, office of, 1362.

Des Prairies river dredging, 1731.

Detectaphone, use of, 468.

Devlin, Mr. Emmanuel B. (Wright)
Budget, 2621
National policy, 2622.
Surpluses, 2624.
Immigration, 2625.
Tariff, 2626.
Transportation, 2627.
Agriculture, 2628.
Canal traffic, 365.
Explosives, regulation of, 3863.
Farmers Bank, 4722.
Georgian Bay canal, 567, 1047, 2968.
Grain shipments, 472.
House of Commons representation, 5321.
Hull
Customs office, 568.
Inland Revenue receipts, 473.
International Waterways, 164.
Judges' salaries, 1925.
Mineral deposits, 1023.

Devlin, Mr. Emmanuel B.—Con.
Nova Scotia coal, 365.
Ottawa and Hull Improvement Commission, 697.
Privilege, 1119.
Public buildings, expenditure on, 4190.
Ulster and the Minister of Militia, 1903.
Unemployment, 5031.
W. C. Edwards Company, 3474.
Wright county post offices, 445.

Dismissals, 430, 762, 770, 990, 997, 1170-1188, 1375, 1385-1395, 1401, 1424.
Bigelow, J. E., 1436.
Décoste, J., Capt., 1783.
Drummond and Arthabaska, 1023.
Faucher, E., painter, 1784.
Fish hatchery employees, 370.
Intercolonial Railway employees, 370.
Laing, J. R., postmaster, 370.
Larivière, Mr., land agent, 370.
Leslie, Wm. C., postmaster, 369.
McGillis, J., 1435.
McLeod, M. H., geologist, 1815.
McRae, A., lighthouse-keeper, 1118.
Three Rivers postal officials, 818.

D'Israeli wharf, 1435.

Divorce cases, procedure in, 1118.

Divorce reform, 821.

Doherty, Hon. C. J. (Minister of Justice)
Advertising, fraudulent, 3397, 3466, 3480.
Asiatic immigration, 1258.
Canada Temperance Act Amendment, 3453, 3588, 3717.
Capital punishment, 741.
Divorce reform, 835.
Dominion Lands Act Amendment, 4367, 4821, 4889.
Dominion police, 2368.
Elections Act Amendment, 478.
Electoral corruption, 908.
Exchequer Court, 2367.
Explosives, regulation of, 3863.
Falardeau case, 459.
Fatsari, G., release of, 495.
Fraudulent advertising, 3397, 3466, 3480.
Haultain, Chief Justice, judgments of, 1265.
Judges, Prince Edward Island, 4887.
Judges' salaries, 1940, 3603, 3886, 3957.
Judicial Committee of the Privy Council, 1955.
Justice Department
Estimates, 342, 2365, 4521.
Salaries, 342.
Juvenile Delinquents Act Amendment, 3251, 3516.
Kelly, Wm. J., case of, 1706.
Labrador coast, jurisdiction on, 2954.
Merchants Accident Guarantee Company, 3512.
Monk, Hon. F. D., death of, 3787.

Doherty, Hon. C. J.—Con.
Naturalization, British nationality, 3249, 4119, 4143, 4173, 4367, 4529-4545, 4808-4821, 4823.
O'Brien, A. H., superannuation of, 1945.
Pembroke Lumber Company, claim of, 5026.
Penitentiaries, 2365, 2368, 4521.
Pension to guard's widow, 3460, 3531.
Prison reform, 4522.
Prisons and Reformatories Act Amendment, 3397, 3466.
Senate representation, 1488.
Supreme Court appeals, 3251, 3462.
White slave traffic, 4523.

Dominion Atlantic Railway, 1115.

Dominion Forest Reserves and Parks Act Amendment Bill. 1r., 2261. 2r., 3512. Com., 3512, 3554. 3r., 3558. *See also* 4151.

Dominion Lands Act Amendment Bills
Aikins, Mr. 1r., 201.
Doherty, Mr. 1r., 4367. 2r., 4821. Com., 4821, 4889. 3r., 4891.
Roche, Mr. 1r., 2261. 2r., 3249. Com., 3249, 3320, 3511. 3r., 3512.

Dominion Lands and Parks, 1836, 2372, 4151.
Orders in Council approved, 4713.

Dorchester
Government employees, 3638.
Penitentiary, 440.

Dorion dredging, 443.

Dorval militia land purchase, 1025, 1119, 1218, 2436.

Douglas, Mr. James (Strathcona)
Address in reply to Governor General's Speech
Free wheat, 299.
Aid to agriculture, 301.
Unemployed labour, 301.
Budget, 2835
Freight rates, 2837.
Binder twine, 2838.
Calgary and Edmonton Railway Company, 765, 804.
Dominion lands, 3349-3361.
Government officials in politics, 1836
Hudson Bay terminals, 568.
Indians, 2478.

Dredges and dredging
Canada, 811, 1218.
Coal supplies, 2078.
East river, 5363.
Fielding, 2261.
George McKenzie, 1780.
New Brunswick, 2078.
Prince Edward Island, 3058.

Drill halls. *See* Armouries.

Drummond and Arthabaska postmasters, 1019.

Dry Docks Subsidies Act Amendment Bill. Res., 3961. 1r., 3965. 2r., 4090. Com., 4090. 3r., 4112. *See also* 5237.

Dubé, P., employment of, 2016.

Duchemin, H. P., payments to, 353, 697, 770, 893, 926, 966, 990, 1111, 1173.

Dunvegan telegraph, 816.

Duthie Point lighthouse, 703.

Eastern Extension Railway, 3183.

Eastern Townships
Diseased cattle, 363.
Experimental farm, 1694.
Post offices, dismissals in, 3640, 5261.

East Jeddore dredging, 925.

East river improvements, 811.

Edmonton and Ft. George mail service, 891.

Edmonton drill hall, 354.

Edmundston immigration office, 704, 1619.

Edson-Grand Prairie mail service, 369.

Edwards, Mr. John W. (Frontenac)
Agricultural Gazette, 1104.
Barriefield camp, 3714.
Budget, 2603
Farm products, 2604.
Free wheat, 2610.
Transportation, 2614.
Agricultural implements, 2615.
Cost of living, 2619.
Steel industry, 2619.
Reciprocity with the United States, 2620.
Capital punishment, 501.
Civil Service, 4449, 4450.
Cold storage, 1681.
Fenian raid veterans, 3509.
Fisher, Hon. S., on Canadian farming, 1110.
Fisheries, 1825.
Franking privilege, 3225.
Frontenac rural mail, 813.
Government officials in politics, 433, 1840.
Kingston causeway, 3509.
Kingston penitentiary, 812, 2365, 2519, 2959, 4484-4504, 4512.
Militia parades, 2178.
Naval service, 5166.
O'Brien, A. H., superannuation of, 1950.
Ottawa as the Capital, 1884.
Pilotage, 3631.
Potatoes, tariff on, 3078.
Printing Bureau, 4370.
Reciprocity with the United States, 1686.
Transportation, 2979.
Unemployment, 4159.

Eganville post office, 353, 2545, 5219.

Election Act Amendment Bill. 1r., 478.

Election laws committee, 1118.

Elections and Government officials. *See* Government Officials.

Elections, general, résumé of, 2995.

Electoral corruption, 344, 900.

Elevators, grain, 473, 572, 1216, 1646-1666.

Elliott, Mr. George A. (North Middlesex)
Farmers Bank, 4919.

Elmira post office, 702.

Embroideries, tariff on, 3157.

Emmerson, Hon. H. R. (Westmorland)
Basic slag, 444, 511, 630, 2677; proposed amendment, 638.
Battlefields, preservation of, 3198.
Brantford public building, 878.
Budget, 2673
Tariff, 2674.
Basic slag, 2677.
Cut stone, 2679.
Protection, 2681.
Calgary and Edmonton Railway Company, 795.
Canadian Northern Railway terminals, 699, 2262.
Colpitts, G. A., case of, 446, 455.
Dorchester penitentiary, 441.
Franking privilege, 3224.
Fredericton and Grand Lake Coal and Railway Company, 3205.
Governor General, new, 3454.
Herring fishing, 2437.
Hudson, patrol boat, 2687.
Intercolonial Railway
Branch lines, 353.
Canadian Pacific Railway, traffic agreement with, 567, 596, 1534, 1691.
Dismissals, 1017, 2962, 3508.
District No. 3, 1114.
Dorchester water supply, 1015.
Engineers, appointment of, 2176.
French river bridge, 362.
Halifax terminals, 1782.
Hampton station, 1691.
Harris, F., employment of, 2176.
Hay shipments, 922.
Killam, A. E., retirement of, 1724.
Management, 3256; proposed amendment, 3264.
Moncton residence purchase, 893.
Provident fund, 469.
Skeffington, detective, 921.
Suburban train receipts, 1015.
Survey staff, 2261.
Train service, 167, 258.
Wooden cars, 355.
Judges' salaries, 1929.
Maps, incorrect, 2902.
Maritime mail service, 166, 202.
Militia poster, 1536, 2082.
National Transcontinental Railway investigation, 1329, 2331.
Richibucto life-saving crew, 668.

Emmerson, Hon. H. R.—Con.
St. John and Quebec Railway, 2546, 2789, 3030.
Sackville public wharf, 568.
Stone, tariff on, 878, 3125.
Tariff, 3125.
Transatlantic mail service, 376.
Trent Valley Woollen Company, 2177.
Trust companies, 2907.
Volunteer bounty, 1398.
Westmorland harbours, 443.

Empress of Ireland
Loss of, 4433, 4552, 4555, 4628, 4716, 4879, 4894, 4954. *See also* 5069, 5230.
Court of investigation, 4887.

Esquimalt dry dock, 812, 1433.

Estimates. *See titles of departments and subjects.*

Ethier, Mr. Joseph A. C. (Two Mountains)
Canning factories, 1605.
Intercolonial Railway, 4949.
Railway subsidies, 4971.
Ste. Scholastique postmaster dismissal, 3634, 3854.

Exhibitions, 359, 1684.
San Francisco, 359, 1686, 3254.

Experimental farms, 1135. 1140, 1148, 2372, 3487.

Explosives Regulation Bill. Res., 3587. 1r., 3588. 2r., 3861. Com., 3862. 3r., 3895. *See also* 1810, 1815.

Export Act Amendment Bill. Res., 971. 1r., 975. 2r., 1758. Com., 1758, 3463. 3r., 3717.

Express franking privilege, 1018.

External Affairs, Department of, 355.

Extradition cases. *See* Kelly.

Falardeau case, 455, 699.

Falmouth dyke, 1780.

False Creek Indian reserve. *See* Kitsilano.

Farmers Bank Relief Bill. Res., 3517. 1r., 3531. 2r., 4675, 4718, 4806. Com., 4894. 3r., 4929.
Amendment proposed: Mr. A. K. Maclean, 4703; div., 4806.
See also 723, 1117, 3197, 3453.

Farnham camp, 1033, 1125, 1435.

Fatsari, G., release of, 464, 1911.

Federal Life Assurance Company, 2435.

Fenian raid veterans, 284, 338, 349, 369, 440, 445, 473, 571, 925, 1022, 1604, 1693, 1783, 2080, 2085, 2787, 2962, 3362-3396, 3509, 3894, 4339.

Ferguson, G. H., commissioner, 1915.

Ferrona-Sunny Brae Railway, 669.

Fielding, P., employment of, 365.

Finance Department estimates, 722.

Financial conditions, 18, 56, 62, 129, 169, 189.

Financial Statement. *See* Budget.

Firearms, carrying of, 467.

Fish and fisheries
Advisory board, 348, 702, 2398.
Boundary regulations, 1214.
Curing expert, 571.
Exhibits, 2430.
Hatcheries, 2431.
Herring, 2437.
Industry, 5275.
Lobster
Licenses, 815.
Regulations, 344, 5186.
Seed, 816.
Medical aid, 416.
Modus vivendi
Licenses, 1692.
Violations, 1603.
New Brunswick claims, 2374.
Ontario jurisdiction, 1916.
Pickled fish. *See that title*; *also*, Fisheries Act Amendment Bills.
Protection service, 2429.
Reduction works, 1693, 2080, 2177.
Shellfish commission, 667,1361, 2418, 4022, 4294.
Smelt licenses, 2178, 2402.
Statistics, 1020, 1361, 2402, 5191.
Transportation, 376, 894, 1114, 1215, 2403, 2937, 5069.

Fisheries Act Amendment Bills
Consolidation. 1r., 793. 2r., 1164. Ref. to select com., 1164. Com., 1793, 1820. 3r., 2384.
Inspection of pickled fish. Res., 3455. 1r., 3460. 2r., 3460. Com., 4435. 3r., 4437.

Fisher, Mr. J. H. (Brant)
Auto-Wheels, Limited, 1668.
Privilege, 3113.

Fletcher, Joshua, employment of, 351.

Food products, inspection of, 1672, 1678, 2370.

Forest reserves. *See* Dominion Forest Reserves and Parks.

Fortier, Mr. Edmond (Lotbinière).
French translation, 2436.

Foster, Mr. Arthur DeWitt (Kings, N.S.)
Canadian Northern Railway, 3983.
Cold storage, 3563, 5185.
Dismissals, 1182.
Immigration, 1152.
Natural resources, conservation of, 1811.
St. John Valley Railway, 3033.

Foster, Hon. George E. (Minister of Trade and Commerce)
Atlantic mail service, 5066.
Binder twine, 1608, 2913.
British postal rates, 3232.

Foster, Hon. Geo. E.—Con.
Budget, 2849.
Trade conditions, 2852.
Flour industry, 2853.
Trade policies, 2856.
Free wheat, 2858.
Capital punishment, 490.
Census, 954.
China and Japan steamship subsidy, 5034.
Commissioner of Commerce, 316.
Cost of living, 5377.
Fish transportation, 5069.
Grain
Act, administration of, 1646.
Bill, 3161, 3574.
Commission 1646.
Laboratory, 315.
High Commissioner's office, 5378.
Imperial Trade Commission, 927.
Mail subsidies, 2913.
National Transcontinental Railway, 4859.
Ocean freight rates, 2926, 5043.
Parliamentary procedure—Committee of Supply without question put, 521.
St. Lawrence rates, 977.
Seeds inspection Bill, 4167.
Steamship subventions, 2913, 2923-2947, 5034.
Strathcona, Lord, death of, 164.
Titles of honour, 480.
Trade and Commerce estimates, 315, 881, 927, 1646, 2913, 2923, 5034.
West Indies
Cables, 955.
Steamship service, 956.
Trade Commissioner, 882.

Foundation Company, Ltd., 1876.

Fowler, Mr. George W. (Kings and Albert)
Canadian Northern Railway, 4643.
Civil Service, 4449, 4451.
Fenian raid veterans, 3374.
Fisheries protection, 1795.
Hampton public building, 4189.
Judges' salaries, 1928, 3606.
Militia camp grounds, 5017.
National Transcontinental Railway investigation, 2284.
St. John Valley Railway, 3884.
Yukon territory judge, 4022.

Franking privilege, 971, 1018, 3223.

Fraser, J. McL., fishery officer, 5030.

Fraser, W. E., fishery officer, 2405-2418.

Fraserville
Battery, 1021.
Drill hall. 360.
Harbour, 358, 441, 1604.

Fraudulent advertising. *See* Criminal Code Amendment Bill.

Fredericton
Experimental farm, 1135.
Mails, 2014.
Public works, 705.

Free wheat, 42, 133. 238, 260, 267, 271, 279, 282, 285, 288, 295, 297, 299, 301, 304, 2873, 2825, 2858. 2833, 2723, 2796 2746, 2889, 2816, 2810, 2804.
Amendment proposed: Sir Wilfrid Laurier, 2846, 2849; div., 2897.

Freight rates, 1914, 2196, 2687, 2971-2986, 4327-4331, 4416-4425. *See also* Ocean.

French
Translation, 1912, 2436.
Official documents in, 4434, 4523.

French river
Dam, 1604.
Improvements, 2081.
Wharf, 1434.

French Canadian Senator for Ontario, 367.

Fripp, Mr. Alfred E. (Ottawa)
Civil Service, 4443, 5373.
Divorce bills, 4881.
Foundation Company, Ltd., 1879.
Goldschmidt, R., patent of, 2918.
House of Commons representation, 5311.
Labrador, Quebec and Southern Railway Company, 2922.
Ottawa water supply, 1886.
Willson, T. L., patent of, 2918.

Frontenac rural mail, 813.

Fruit inspection, 1672, 1674.

Fuller, Mrs. M. E., pension of, 4993.

Fundy, Bay of, navigation, 165.

Garland, Mr. W. F. (Carleton, Ont.)
Budget, 2783.

Gaspé
Public buildings, 4191.
Steamer service, 1433, 3058, 2437, 2939.

Gauthier, Mr. Louis J. (St. Hyacinthe)
Dismissals, 1392.
National Transcontinental Railway investigation, 2264.

Gauvreau, Mr. Chas. A. (Temiscouata)
L'Assurance de Rimouski, 3894.
Cimon, E. H., payments to, 664.
Fraserville
Battery, 1021.
Drill hall, 360.
Harbour, 358, 441, 1604.
Excise officer, 1402.
Public building, 4196.
French Canadian senators, 367.
Government officials in politics, 1402, 2262.
Inland Revenue officers, 1402.
Intercolonial Railway
Dismissals, 370.
Ice contracts, 364, 2016.
Riviere du Loup facilities, 4070
Investigations into political partisanship, 2262.
Isle Verte wharf, 360, 1604, 2264, 4712.
Judges' salaries, 3621.
Liberator magazine, 3236.
National Transcontinental Railway, 4461, 4463.

Gauvreau, Mr. Chas. A.—Con.
Quebec
Harbour Commission,, 1604, 2263.
Judges, 4807.
Rimouski
Customs, 2015.
Engineers, 2079.
Harbour, 2079, 2310.
Medical service, 2015.
20th Battery, 1361, 2263.

Gelinas, P. and R. Lajoie, employment of, 2688.

Geological Survey estimates, 1815.

Georgian Bay Canal, 352, 567, 1020, 1033, 1732, 2965-2987, 5231.

German, Mr. William M. (Welland)
Bounties on steel, 1523.
Brantford public building, 872.
Canadian Northern Railway, 3896, 4011, 4025, 4039, 4072.
Farmers Bank, 4895.
National Transcontinental Railway investigation, 2118.
Naturalization, 4814.
Senate representation, 1493.
Union Life Insurance Company, 2374.
Welland ship canal, 2965.

Giasson post office, 2177, 2688, 3848.

Gimli lake patent, 1359.

Girard, Mr. Joseph (Chicoutimi and Saguenay)
Agriculture, encouragement of, 1158.
Quebec- Blanc Sablon steamship service, 2946.

Glass, Mr. S. Francis (East Middlesex)
Immigration, 1636.

Glencurrie post office, 4561.

Gold and silver leaf, tariff on, 3133.

Government officials in politics, 423, 621, 706, 741, 1195, 1836-1870, 2308, 2405-2427.

Government Railways Claims Bill. 1r., 1910. 2r., 2392. Com., 2392. 3r., 3058.

Government steamers
Canada, 3113.
Construction in Canada, 3878.
Gulnare, 668.
Gunhilde, 2688.
Hudson, patrol boat, 2687.
Repairs, 1332.
Winter service, 3055.

Governor General
Appointment of, 3454.
Departure of—address, 5275.

Graham, Hon. Geo. P. (South Renfrew)
Calgary and Edmonton Railway, 801.
Canada Temperance Act, 1760.
Canadian Northern Railway, 3252, 3800, 4010, 4038.

Graham, Hon. Geo. P.—Con.
Canadian Pacific Railway—Toronto-Sudbury line, 1113.
Capital punishment, 493.
Chesley public building, 5231.
Conservation Commission, 721.
Eganville post office, 353, 2545, 5219.
Farmers Bank, 4894.
Georgian Bay canal, 2969.
Good Roads Association, 2989.
Government officials in politics, 1836.
Grand Trunk Pacific
Arbitration, 360.
Bond guarantee, 4936.
Cost per mile, 923, 1328.
Harbour commissioners, Montreal and Quebec, 1434.
High Commissioner's office, 311, 1764.
House of Commons
Debates, distribution of, 1775.
Representation, 857.
Hudson Bay Railway, 692, 3112.
Intercolonial Railway, management of, 3295.
Labrador, Quebec and Southern Railway Company, 2952.
Lancaster, Mr., indisposition of, 3204.
Loan flotations, 5032.
Matches, white phosphorus, 1538, 1756.
Mines Department, appointments to, 1801.
Morrisburg
Mails, 1692.
Tin plate manufactory, 3130.
National Transcontinental Railway, 1970, 1982, 2021, 2036 (amdt.), 4840.
Coaling plants, 3113.
Contracts drawbacks, 1329.
Eastern division, 1018.
Grade changes, 921.
Investigating commission, 879, 895, 1328, 1915.
Little Mistongo bridge, 573.
St. Malo
Shops, 360, 701, 1817.
Tunnel, 891.
Shops, 1018.
Transcona shops, 664.
Naturalization, uniform British, 1763.
Naval service, 1914, 5159.
Old age pensions, 1353.
Ottawa and New York Railway Company, claim of, 2991.
Pas Mission bridge, 365.
Pembroke armoury, 5193
Petawawa camp lumber claim, 5022.
Pilotage, 815.
Pollution of navigable waters, 1742.
Post office employees' salaries, 3220.
Printing Bureau, 728, 734, 1774.
Quebec land purchases, 1434.
Radium ores, 1692, 1814.
Railway Act Amendment, 2947.
Railway crossings, 360.

Graham, Hon. Geo. P.—Con.
Railways and Canals estimates, 2970-2944, 4160-4167.
Rainy River Radial Railway Company, 2950.
St. John harbour, 1693.
Spirits and tobacco, 1392.
Steel barrels, manufacture of, 1534.
Tariff, 3157.
Toronto, Niagara and Western Railway Company, 3204, 3270.
Transportation, 2971.
Trent Canal, 1817, 2789, 4162, 4945, 4996.
Welland Canal, 2970, 2988, 5108.

Graham wharf, 443.

Grain
Act, administration of, 1646.
Commissioners, 1646, 2376.
Elevators, 473, 572, 1216, 1646-1666.
Inspection, 1117.
Laboratory, 315.
Sample markets, 2787.
Shipments, 472.
Transportation, 2975-2987.
See also Canadian grain.

Granby postal matters, 363, 697.

Grand Falls-St. John Railway, 365.

Grand Mère building, 2688.

Grand Rapids of the Athabaska, 1361.

Grand Trunk Pacific Railway
Cost per mile, 923, 1328.
Estimates, 4161.
Winnipeg terminals. *See* Winnpeg Terminals Bill.

Grand Trunk Pacific Railway Bills
Completion of prairie section, time extension. 1r., 201. 2r. and 3r., 749.
Guarantee of bonds. Res., 4831. 1r., 4838. 2r., 4929. Com., 4929. 3r., 5034.

Grand Trunk Railway. *See* Toronto Terminals.

Granton and Abercrombie mails, 2686.

Grazing. *See* Homesteading.

Green, Mr. Robt. F. (Kootenay)
Divorce bills, procedure on, 4883.
Labour conditions on Vancouver Island, 1299.

Grigg, trade commissioner, 2435.

Grosse Isle quarantine station, 5028.

Guthrie, Mr. Hugh (South Wellington)
Agricultural implement duties, 1566.
Armouries, 4576-4582.
Canadian Northern Railway, 4419, 4528.
Farmers Bank, 3520.
Militia, 4576-4582.

Guthrie, Mr Hugh.—Con.
National Transcontinental Railway investigation, 2312.
Post Office Act Amendment, 3242.
Prudential Life of Canada, 3478.
Railway level crossings, 3958.
Toronto, Niagara and Western Railway Company, 3204, 3271.
Trent canal investigation, 4975.

Guysborough
Branch railway, 4481.
Public wharfs, 355.

Guysborough-Heatherton mails, 1914.

Hagersville postmaster, 2686.

Halifax
Armouries, 704.
Dennis building, 5031.
Fortifications, 345.
Lightship, 3057.
Militia contracts, 3714.
Post office, 345.
Terminals, 1332. *See also* Intercolonial.

Halifax county mail contracts, 925.

Hanna, Mr. A. E. (South Lanark)
Tariff, 3144.

Hansard. *See* House of Commons Debates.

Hants county electoral lists, 817.

Hantsport
Public building, 1023.
Wharf, 4713.

Harbour Commissioners, 1434.

Harbours, federal control of, 2390.

Harbourville lightkeeper, 1434.

Hartt, Mr. Thomas A. (Charlotte, N.B.)
Dismissals, 2427.

Haultain, Chief Justice, judgments of, 1265.

Hay shipments, 922.

Hazen, Hon. J. D. (Minister of Marine and Fisheries)
Atlantic mail service, 5048.
Biological Board, 2434.
Boundary fisheries, 1214.
Canada shipping, 1540, 3053, 3621. *See also* Shipping Act Amendments.
Collision an dsalvage at sea. *See* Shipping.
Colpitts, Mr., case of, 451.
Dismissals, 762, 775, 1173.
Dry docks subsidies, 3964, 4097.
Empress of Ireland investigation, 4552, 4631, 4716, 4887.
Fish and fisheries
Act amendment, 793, 1164, 1793. 1820.

Hazen, Hon J. D.—Con.
Bulletin, 5189.
Lobster regulations, 5186.
Pickled, inspection of, 3455, 4635-4436.
Protection service, 5176.
Transportation, 392, 401, 1215, 5185.
Fishing disaster—appeal for government aid, 5182, 5195.
Fredericton experimental farm, 1138, 3487, 3491.
French, official documents in, 4434, 4523.
Fundy, Bay of, navigation, 165.
Government officials in politics, 1839.
Hudson Bay terminals, 1207.
Hydrographic surveys, 5183.
Intercolonial Railway
Management, 3298, 5048.
Suburban trains, 1065.
Karluk, steamer, 4524, 4629.
Kelly, Wm. J., case of, 1711.
Lake Erie buoy service, 2519.
Leblanc, seaman, burial of, 5179.
Marine and Fisheries estimates, 324-328, 402-421, 749-762, 775-787, 1164-1214, 2398-2434.
Merchant shipping. *See* Shipping.
Montreal Harbour
Commission, 3636, 3871, 4523, 4830.
Harbourmaster. 5188.
Steamer berths, 5188.
Naval service, 326-336, 5146.
North Sydney Harbour Commission, 1539, 1791.
Pelagic sealing, 2372.
Pilotage, 985, 3625.
Pollution of navigable waters, 1740, 1748.
Quebec
Harbour Commission, 3876.
Marine agency, 2996.
St. John, port of, 5048.
St. John Valley railway, 3011.
St. Lawrence route, accidents on, 3253, 3398. *See also* Shipping Casualties.
St. Lawrence ship channel, 976-991.
Safety of Life at Sea Convention, 787.
Shipping Act amendments, 94, 743, 1786. *See also* Canada Shipping.
Shipping Casualties investigations, 4552-4555, 4631. *See also* St. Lawrence route.
Vancouver Harbour Commission, 2175, 2388.

Heatherton Indian reserve, 573.

Hebb, L. J., amounts paid to, 2178.

Henderson, Mr. David (Halton)
Brantford public building, 876.
Farmers Bank, 4778.
Federal Life Assurance Company, 2435.
House of Commons blue books, 1776.
Naturalization, 1763.
Public buildings, 4196, 4199.
Toronto, Niagara and Western Railway, 3276.

Hepburn, Mr. B. R. (Prince Edward, Ont.)
Prince Edward and Hastings Railway Company, 2950.

High Commissioner's office, 311, 352, 1765, 3716, 5378.

Highways Improvement, 15, 23, 36, 48, 52, 55, 101, 116, 129, 147 152, 164, 177, 221, 259, 293.

Home Rule for Ireland
Carson, Sir Edward
Alleged cablegrams to, 2082, 2178.
Presentation to, Mr. Cochrane's presence at, 1785.
Meeting at Toronto, 3573.
Picked men leaving Canada, 1903.
Vancouver Orange Lodge resolutions, 2592, 2785.

Homesteads and Homesteading
Burns grazing lease, 2591.
Entries, 352, 570, 4368.
Land patents, 3113.
Payments, interest on, 1434.
Pre-emptions, Alberta, 357.
Regulations, 2311.
See also Dominion Lands.

Horse breeding, 472, 3493.

Horseflesh abattoirs, alleged, 3487.

House of Commons
Accommodation, need of increased, 4197.
Ascension Day adjournment, 3895.
Ash Wedesday adjournment, 1061.
Business of the House, 1606, 3197.
Committees, select standing, 253.
Debates
Distribution, 1775.
Lengthy answers to questions, insertion of, 1061.
Omissions, 477, 4887.
Translators, chief of, 1818, 5267, 5271.
Deputy Speaker, office of. *See that title.*
Easter adjournment, 2311.
Government business, precedence of, 1606.
Indemnity to members, 817.
Library and reading room, hours of closing, 4214.
Loucks, H. H., employment of, 2439.
Messengers, 568, 704.
Morning sittings, 2788, 3210, 3319.
Officials
Appointments, 94, 399, 2686, 2947, 4954.
Investigation, report of, 442.
Salary increases, 2481.
Parliamentary Guide, 2373.
Post office, 399, 477.
Returns, questions regarding, 476, 878, 1607, 2364, 2377, 3860, 3893, 5956.
Rooms, use of, 2080.
Saturday sittings, 3784.

House of Commons.—Con.

Stationery, 1370.
Voters lists, 1774.
Wednesday sittings, 1264.

House of Commons Representation Bill. 1r., 611. 2r., 842, 927. Ref. to select com., 927. Rep., 1013. Com, 5230, 5306, 6364. 3r., 6364. *See also* 5, 35, 112, 123, 203, 707.

Hudson Bay
Fisheries, 347, 5186.
Railway, 364, 924, 4464-4470, 4474-4878.
Contracts, 5030.
Mileage, 364.
Pas Misssion bridge, 365.
Right of way, 1434.
Terminals, 346, 568, 671, 3112, 1207.

Hughes, Hon. Sam. (Minister of Militia and Defence)
Armouries, 4583-4586, 5007.
Bands at political demonstrations, 5011.
Canadians at Bisley, 514, 518, 1215.
Dorval military site, 1033.
Drill halls, 4583-4586, 5007.
Farnham camp, 1033, 1125.
Fenian raid veterans, 3363-3396, 4340-4367, 5000.
Militia
Annual drill, 4999.
Camp grounds, 5017.
Clothing, 5004.
Estimates, 336, 2363, 2370, 3399-3452, 4571-4620, 4990-5025.
Rifle ranges, 5008.
Militia poster, 1607, 2082.
Petawawa camp lumber claim, 5022.
Privilege, 2083.
Religious processions and the Militia, 5003.
Royal Military College, 5015.
Souris rifle range, 4571, 4594.
Trent canal investigation, 4990.
Volunteer bounty, 3363-3396, 4340-4367.

Hughes, Mr. James J. (Kings, P.E.I.)
Address in reply to Governor General's Speech
Naval defence, 99.
Highways improvement, 101.
Cost of living, 102.
Tariff, the, 103.
Militia expenditure, 104.
Agricultural Gazette, 1102, 1671.
Agricultural implements, duties on, 1582.
Basic slag, 638.
Carleton Head breakwater, 2178.
Charlottetown-Crapaud mails, 3058.
Dismissals, 1118.
Elmira post office, 702.
Fenian raid veterans, 440, 2085, 3363, 4360.
Fish, pickled, inspection of, 4436.
French river wharf, 1434.

Hughes, Mr. James J.—Con.

Honorary colonels, 1605.
House of Commons
Debates, official report of: lengthy answers, 1061.
Library and reading room, closing of, 4214.
Representation, 707, 853.
Stationery, 1370.
Hudson Bay terminals, 691.
Intercolonial Railway
Engineers, appointment of, 2176.
Freight cars, 568.
Little Sands breakwater, 445, 1605.
Magdalen islands steamship service, 403.
Militia officer commanding 6th Division, 1783.
National Transcontinental Railway investigation, 2214.
Naval service, 332.
Potatoes, tariff on, 3059, 3084.
Prince Edward Island
Banks, 1781, 2543.
Dredges, 3058.
Freight rates, 1018.
Judges, 4887.
Public works, 4211.
Steam service, 2944.
Transportation, 399.
Railway, 308, 926, 4483.
Representation in House of Commons, 707, 853.
Railway land grants, 5027.
Returns
Alleged incomplete, 476.
Inquiry for, 4296.
Rocky Point wharf, 3113, 3318.
Shellfish commission, 4022, 4294.
Souris rifle range, 1435, 1694, 1783, 4567.
Strong, Heath, payments to, 1116.

Hull
Customs office, 568.
Inland Revenue receipts, 473.

Humboldt homestead inspector, 569.

Hydro-Electric lines, 3474 4716.

Ice-breaking, 402, 2962.

Immigration, 10, 139, 291, 299, 1152.
Asiatic, 350, 351, 808, 1220, 2639, 5026, 5037.
Austrian, 896.
British Columbia, 2264.
Bulgarian and Russian, 4560.
Chinese Act, administration of, 5212.
Deportations, 891, 1636.
Estimates, 1611, 4155.
European, 572.
Hindu, 4022, 4214, 4295, 4524, 4556, 4562, 4717, 4954, 5026.
Inspection, 1437, 1638.

Immigration.—Con.

Regulations, 350.
Statistics, 351.
United States, 697.

Immigration Act (Asiatic exclusion) Amendment Bill. 1r., 5026.

Imperial Trade Commission, 927.

Indian Act Amendment Bill. 1r., 1817. 2r., 2394. Com., 2394, 3481, 3532. 3r., 3553, 3554. Senate amdts., 4830.

Indian Harbour Lakes postmaster, 3055.

Indians
British Columbia, 2477, 5209.
Caughnawaga
Hospital, 422.
Petition, 2394, 3481, 3533, 3537.
Estimates, 422, 2471, 2481, 5209.
Generally, 422, 2480.
Liquor selling to, 3207.
Medical attendants, Nova Scotia, 2474, 2840, 3208.
Northwest provinces and territories, 2478, 5209.
Nova Scotia, 2474-2477, 5209.
Ontario and Quebec, 2472-2474.

Industrial Disputes Act, 1022.

Inland Revenue estimates, 339, 1370-1395, 1400-1432, 2364.

Inspection and Sale Act Amendment Bills
Binder twine. Res., 1608. 1r., 1611. 2r., 2913. Com., and 3r., 2913.
Foods. 1r., 2261. 2r., 4167. Com., 4167. 3r., 4171.

Insurance, 1751, 3199.

Insurance Act Amendment Bill. 1r., 1688.

Intercolonial Railway
Amos, R., dismissal of, 2962.
Antigonish bridge, 1016.
Appointments, 1113.
Responsibility for, 2956.
Block signals, 3318.
Branch lines, 353, 1736, 3181, 4938, 5110.
Canadian Pacific Railway agreement, 567, 585-610, 1534, 1691, 3256-3316, 4099-4111, 5048-5062.
Car charges, 352.
Chatham Junction-Blackville branch, 4477.
Claims, fire, 2959.
Coal tenders, 924, 1332, 1645, 1786, 1911, 2956, 3194, 3280.
Dean Settlement branch, 3318.
Dismissals, 5122.
District No. 3, loss on, 1114.
Dorchester water supply, 1015.
Double tracking, 4558.
Earnings, 2308.

Intercolonial Railway.—Con.

Employees' wages, 1016.
Estimates, 1959, 3178, 4165, 4860, 4938, 4947.
Ferry employees, 1016.
Fish, rates on, 894, 1017.
Flour, rates on, 1021.
Freight cars, 568.
Freight rates, 921. *See also* Management.
French River bridge, 362.
Grade reduction, 668.
Guysborough branch, 4481.
Halifax terminals, 1782, 4861.
Hampton station, 1691.
Harris, F., employment of, 2176.
Ice contracts, 364, 2016.
Killam, A. E., retirement of, 1724.
King, S., employment of, 895.
Labourers' wages, 471.
Land valuators, 345.
Lévis, fire at, 5029.
Lumber purchase, 894.
Management, 1957, 3256, 3278.
Amendment proposed: Mr. Emmerson, 3264; div., 3316.
Minimum rates, 1434, 1690, 2016.
Ministerial statement, 1959.
Moncton residence, purchase of, 893, 2786.
News bulletin service, 1266.
Ocean Limited, 4630, 4888.
Oxford-Pictou train service, 895.
Pension fund, 469, 572, 5362.
Point Tupper ferry, 894, 3195.
Private cars, 1018.
Refrigerator cars, 1360, 1604.
Repair shops, 2957.
Ste. Louise improvements, 2013.
Sackville dismissals, 1017, 3508.
'Safety First' engineer, 2262.
Sectionmen, 1015.
Skeffington, Detective, 921.
Smith, R. H., employment of, 1690.
Standard rules, 1693, 2957.
Station improvements, 2544.
Suburban trains, 1015, 1062, 4868.
Sunny Brae branch, 894.
Survey staff, 2261.
Tie contracts, 1331.
Tonnage, 3110.
Traffic agreement with Canadian Pacific Railway, 567. *See also* Canadian Pacific.
Train service, 167, 258.
Water service, 2544.
Williams, T., employment of, 895.
Wireless system, 1782.
Wooden cars, 355.

Interior Department estimates, 338, 1836, 2363, 2372, 4151.

International Expositions. *See* Exhibitions.

International Horse Show, 2439.

International Purity Congress, 359, 3859.

International Waterways, 164, 4962.

International Waterways Commission Bill. 1r., 1163. 2r., 1395. Com., 1396. 1483. 3r., 1483.

Inverness
Fruit inspector, 1672.
Harbour, 1818.
Postal service, 815.
Public works, 354.

Investigations into political partisanship, 2262, 2308.

Iron and steel industry, 665, 1498, 1802, 3040.
Ores, treatment of, 1802.
Products, value of, 665.
Tariff, 3040.
Bands, 3153.
Bars, 3159.
Pigs, etc., 3133.
Structural, 3135, 3160.
Tubing, 3145.
See also Pig Iron.

Ironworkers, 1115.

Irrigation Act Amendment Bill. 1r., 2261. 2r., 3485. Com., 3485, 3596. 3r, 3717.
See also 4153.

Isle Verte wharf, 360, 1604, 2264, 4712.

Jallet, N., widow of, 1066.

Jameson, Mr. Clarence (Digby)
Address in reply to Governor General's Speech
By-elections, 95.
Cost of living, 96.
Naval defence, 98.
Dog-fish works, 2177.
House of Commons representation, 5322.

Joliette buildings, 1023.

Joynson, Mrs. Alice, pension Bill. Res., 3460. 1r., 3461. 2r., 3531. Com., 3531. 3r., 3532.

Judges Act Amendment Bills
Mr. Doherty: Res., 3602. 1r., 3621. 2r., 3886. Com., 3886. 3r., 3956.
Mr. Lanctot: 1r., 841.

Judges' salaries, 697, 1925-1944, 3602-3621, 3886-3890, 4807.

Judicial Committee of Privy Council. *See* Privy Council.

Justice Department estimates, 342, 2365, 4521.

Jute, tariff on, 3153.

Juvenile Delinquents Act Amendment Bill. 1r., 3251. 2r., 3516. Com., 3516. 3r, 3517.

Kamloops
Drill hall, 1331.
Public buildings, 1021.

Karluk, steamer, 352, 811, 2264, 4524, 4629.

Kay, Mr. William F. (Missisquoi)
Bedford public building, 2545.
Brome rural mails, 703.
Farnham camp, 1435.
St. Armand mails, 3208.

Kelly, W. J., case of, 1696.

Kentville
Experimental farm, 1152.
Tuberculous cattle at, 4559.

Kingston
Causeway, 3509.
Penitentiary investigation, 571, 812, 2365, 2959, 4484-4522.

Kitsilano Indian reserve, 664, 922, 3547.

Knowles, Mr. William E. (Moosejaw)
Advertising, fraudulent, 3470.
Agricultural implements
Duties on, 1548; amendment proposed, 1558; div., 1602.
Rebates, 1360.
Asiatic immigration, 1244.
Aurora Menace, 2310, 3236.
Butter, manufacture of, 3165.
Canada Temperance Act, 3589.
Customs duties, 5193.
Dominion lands, 3330, 3341, 3511.
Inspectors, 1845
Franking privilege, 3223.
Government officials in politics, 1378, 1401, 1841.
Grain Bill, 3576.
Grain elevators, 1666.
Homestead
Pre-emption payments, 1434.
Regulations, 2311.
Hudson Bay
Railway, 1434.
Terminals, 685.
Imports and exports, 1332.
Indian Act Amendment, 3484.
Inland Revenue estimates, 1378, 1404.
Interior Department estimates, 1841-1870.
Irrigation, 3486.
Lands unpatented, taxation of, 1923.
McVeigh homestead entry, 2841.
Militia estimates, 3405.
Natural resources, provincial control of, 1094.
Petroleum, export of, 974.
Pre-emption payments, 1434.
Ranching and grazing commission, 2543.
Volunteer bounty, 1398.
Williams, Colonel, 3405, 3454.

Kyte, Mr. George W. (Richmond, N.S.)
Agricultural Gazette, 1099, 1101, 1671.
Bear River
Public building, 1893.
Wharf, 2013.
Bishop, A., employment of, 3208.
Cameron, A. J., employment of, 2960.
Cheese weighing, 1678.
Civil Service Commission, 697.
Coasting privileges, 5196.
Commutation of death sentence, 3252.
Customs
Appointments, 473.
Estimates, 963.
Dismissals, 763, 770, 963, 1009, 1179, 1190, 1376.
Divorce, 4884.
Dredge George McKenzie, 1780.
Farmers Bank, 5285.
Fenian raid veterans, 445, 3383, 4367.
Fish and Fisheries
Act Amendment, 1797, 1820.
Bulletin, 2402, 5192.
Lobster culture, 2432.
Transportation, 382, 2937.
Government officials in politics, 435, 1178.
House of Commons
Loucks, H. H., employment of, 2439.
Messengers, 568.
Officials, 442.
Representation, 5324, 5344, 5359.
Hudson Bay terminals, 689.
Indians, Nova Scotia, 3208.
Intercolonial Railway
Estimates, 3180.
Mines Road station, 2377.
Judges' salaries, 1929, 3620, 3887.
Letter boxes, 353.
Life-saving rewards, 419.
Marine estimates, 762, 770, 1164, 2402, 2432.
Militia, 4605.
Militia, the Minister of, and Irish Home Rule, 1911, 3443.
National Transcontinental Railway investigation, 2138.
O'Brien, A. H., superannuation of, 1946.
Old age pensions, 1333.
Ottawa
Building leases, 2439.
Public works, 1878.
Postal service, 5266.
Public buildings, 1878, 1893.
Richmond county works, 571, 5229.
Royal Canadian Regiment Band, 3111, 3210, 3440.
St. Esprit lightkeeper, 473, 1170.
St. Peter's canal, 1020, 2903, 2963, 2995, 4480-4481.
St. Peter's and Sydney Railway, 4090, 4295, 4369.
Senate and the Farmers Bank, 5285.
Shelburne fishery guardians, 2961.
Vincent, J. U., appointment of, 1410, 1427.

Labour
Employment bureaus, 1818, 3892.
Estimates of Department, 339, 523-566, 649-663, 5202.
Fair wages schedule, 357, 5202.
Hours on Public Works Bill. 1r., 4.
Immigration notices, 1617.
Industrial Disputes Investigation Act, 5206.
Unemployment, 4156-4160.
Circular from Trades and Labour Council, 5032.
Montreal, in, 3716.
Vancouver Island troubles, 345, 523, 572, 649, 699, 4664-4674.
Amendment proposed: Mr. Verville, 1267; div., 1327.
Prisoner's death, 699.

Labrador coast, jurisdiction on, 2954-2956.

Lachance, Mr. Arthur (Quebec Centre)
House of Commons representation, 5313.
Lortie, Mr., appointment of, 5029.
National Transcontinental Railway
Investigation, 2227.
Quebec terminals, 4846, 5096.
Privilege, 1784.
Quebec
Arsenal, 5028.
Harbourmaster, 5029.

Lachine canal, 2989.
Industries, 1913.
Works, 1782.

Lachine rapids dam, 2377, 2438.

Lafortune, Mr. David A. (Montcalm)
Address in reply to Governor General's Speech
Highways improvement, 164, 167.
Naval defence, 168.
Financial conditions, 169.
Tariff, 171.
Transportation, 171.
Agriculture, aid to, 171.
Redistribution of representation, 173.
Manitoba schools, 175.
Agriculture, encouragement of, 1156.
Capital punishment, 4519.
Civil Service superannuation, 5373.
Des Prairies river dredging, 1733.
French translation, 5274.
House of Commons representation, 5319.
Inland Revenue officials, 1391, 1394.
Naval service, 334, 5169.
Postal service in Montcalm, 5256.
Public buildings in Montcalm, 5388.

La Have Islands mail service, 704.

Lake Erie buoy service, 2519.

Lalor, Mr. Frances R. (Haldimand)
Budget, 2826.
Tariff, 2827.
Free trade, 2829.

Lalor, Mr. Francis R.—Con.

Free food, 2831.
Free wheat, 2833.
Fenian raid veterans, 4341.
Fishery regulations, 1827.

Lamarche, Mr. Paul E. (Nicolet)
Explosives, regulation of, 3868.
Farmers Bank, 4798.
Georgian Bay canal, 1036, 1732.
Militia, 4616.

Lancaster, Mr. Edward A. (Lincoln and Niagara)
Alberta Central Railway Company, 1891.
Burrard Inlet Tunnel and Bridge Company, 764.
Calgary and Edmonton Railway Company, 765.
Calgary and Fernie Railway Company, 1667.
Canadian Northern Railway Company, 1760.
Central Ontario Railway, 1892.
Canadian Pacific Railway Company, 769.
Central Railway Company of Canada, 996.
Central Western Canada Railway Company, 767.
Erie, London and Tillsonburg Railway Company, 995.
Esquimalt and Nanaimo Railway Company, 995.
Grand Trunk Railway Company, 767.
Joliette and Lake Manuan Colonization Railway Company, 994.
Kettle Valley Railway Company, 1892.
Labrador, Quebec and Southern Railway Company, 2951.
Lachine, Jacques Cartier and Maisonneuve Railway Company, 767.
Lake Erie and Northern Railway Company, 1188.
London and Lake Erie Railway Company, 1891.
Manitoba and North Western Railway Company, 1891.
Norfolk and Elgin Railway Company, 1667.
Ottawa and Ungava Railway Company, 992.
Ottawa Northern and Western Railway Company, 764.
Pacific, Peace River and Athabaska Railway Company, 992.
Pacific, Trans-Canada and Hudson Bay Railway Company, 2948.
Peace River Tramway and Navigation Company, 995.
Prince Edward and Hastings Railway Company, 2949.
Rainy River Radial Railway Company, 2950.
Rio de Janeiro and San Paulo Telephone Company, 1892.
Saskatchewan Central Railway Company, 2956.

Lancaster, Mr. Edward A.—Con.

Thessalon and Northern Railway Company, 993.
Toronto, Niagara and Western Railway Company, 3200.

Lanctot, Mr. Roch (Laprairie-Napierville)
Agricultural implement duties, 1582.
Banks and banking, 3894.
Budget, 2777.
Tariff, 2778.
Naval defence, 2780.
Highways Bill, 2781.
Canadian Northern Railway, 3988.
Farmers Bank, 723, 4774.
Judges Act Amendment, 841.
Judges' salaries, 1936, 3614.
Lachine bridge, 3111.
Laprairie
Protecting wall, 920, 2688, 3055, 3715.
Public buildings, 4712.
Naval service, 5174.
Pelletier, Hon. L. P., expenses of, 1117.

Land grants to railways, 1916, 5027.

Lands unpatented, taxation of, 1918.

Lapointe, Mr. Ernest (Kamouraska)
Agriculture, aid to, 358, 2956.
Canadian Northern Railway, 3970.
Dorchester County employees, 3638.
Giasson post office, 2177.
Intercolonial Railway
Ste. Louise improvements, 2013.
Train service, 4939.
Kamouraska postal service, 347.
National Transcontinental Railway, 569, 4853.
Ste. Perpetué station, 1913.
Naval service, 5165.
Ste. Anne
Experimental station, 360.
Wharf, 2078.
St. Perpetué food inspector, 359.
St. Roch des Aulnaies excise officer, 360.
Tremblay, A., employment of, 5194.

Lapointe, Mr. Louis A. (Montreal, St. James)
Judges' salaries, 1940.

Laprairie
Protecting wall, 920, 2688, 3055, 3715.
Public buildings, 4712.

Larry's river harbourmaster, 2961.

L'Assomption
Revenue from tobacco, 2958.
Wharf, 2263.

Laurier, Rt. Hon. Sir Wilfrid (East Quebec)
Address to H.R.H. the Governor General, 5276.
Address in reply to Governor General's Speech
Delay in meeting of Parliament, 12.

Laurier, Rt. Hon. Sir Wilfrid.—Con.

Solicitor Generalship, 13.
National Transcontinental Railway, 14.
Highways improvement, 15.
Naval defence, 16.
Financial conditions, 18.
Cost of living, 21; proposed amendment, 22.
Asiatic trade, 5035.
British Columbia, claims of, 359.
Budget, 2841.
Resources of Canada, 2843.
Tariff, 2845.
Free wheat, 2846; proposed amendment, 2849.
Canadian Northern Railway, 1264, 3672, 4010, 4026, 4056, 4225-4282, 4298-4331, 4378, 4526-4528, 4631.
Capital planning commission, 5197.
Cavalry remounts, 2546, 2789.
Civil Service, competitive examinations for, 1370.
Colpitts, G. A., case of, 453.
Confederation, semi-centennial of, 1444.
Cost of living, 5377.
Customs officials, 401.
Deputy Speaker, office of, 1362, 1368.
Divorce, 840.
Divorce bills, procedure on, 4881.
Electoral corruption, 915.
Empress of Ireland investigation, 4553, 4716.
Falardeau case, 462.
Farmers Bank, 3524.
Freight rates, 944.
Georgian Bay canal, 1033.
Grand Trunk Pacific Railway bond guarantee, 4834.
High Commissioner's office, 313, 5378.
House of Commons
Business of the House, 3198.
Debates, French translators of, 5271.
Morning sittings, 2788, 3210, 3319.
Representation, 843, 927, 5308, 5313.
Saturday sittings, 3784.
Immigration, Hindu, 4565.
Imperial Trade Commission, 929, 944.
International Purity Congress, 359.
Labour conditions on Vancouver Island, 1300.
Labrador coast, jurisdiction on, 2954.
Matches, white phosphorus, 1538.
Militia and religious processions, 5375.
Monk, Hon. F. D., death of, 3786.
Mounted police, 708, 4964.
National Transcontinental Railway
Completion, 4456.
Investigation, 2340.
Management, 5084.
Quebec terminals, 4839, 4969.
Naturalization, 4127, 4144, 4174, 4827.
Natural resources, provincial control of, 1077.

Laurier, Rt. Hon. Sir Wilfrid.—Con.

Naval service, 328, 5146, 5160.
Navigable waters, pollution of, 1744.
Newfoundland shipping disaster, 2995.
Parliamentary procedure
Answers of length, 1062.
Privilege, basing on newspaper statements, 1119.
Returns, private papers in, 4959.
Supply, Committee of, without question put, 307, 512, 521.
Thursday sittings, Government precedence in, 696.
Petroleum, export of, 973, 3464.
Pig iron, drawback on, 3213.
Pollution of navigable waters, 1744.
Quebec Battlefields Commission, 3890, 4114.
Railway level crossings, 3957.
St. John Valley Railway bridges, 3959.
Safety of Life at Sea Convention, 792.
Senate Employees Bill, 4711.
Senate representation, 1483, 3515, 5280, 5297.
Shipping casualties investigations, 4553, 4716.
Strathcona, Lord, death of, 92.
Tariff, 4431.
Titles of honour, 481.
Transportation, 2978.
Trust companies, 1128, 2905.
Volunteer bounty, 1398.

Lauzon, postmaster, 5029.

Lavallée, Mr. J. O. (Bellechasse)
Address in reply to Governor General's Speech
Agriculture, encouragement of, 8.
Reciprocity with the United States, 9.
Immigration, 10.

Law, Mr. Bowman B. (Yarmouth)
Arcadia rural mails, 701.
Bear River public building, 1894.
Canada, dredge, 811.
Cobequid, wreck of the, 358, 403, 1166.
Fenian raid veterans, 284, 1693, 1783, 3371.
Fish and fisheries
Bulletins, 2403.
Protection, 1798.
Transportation, 383.
Fruit inspection, 1675.
Government steamers, headquarters of, 403.
Gulnare, steamer, 668.
Lurcher, lightship, 368.
Marine supplies, purchase of, 1203.
Military works, expenditure on, 816.
Port Maitland and Lower Argyle post offices, 1913.
Privilege, 343.
Seed lobsters, 816, 2431.
Shelburne county works, 1330.

Law, Mr. Bowman B.—Con.

Submarine bell floats, 668.
West Indies trade, 962.
Yarmouth
Customs officers, 968.
Harbour, 1015, 2309.
Light, 1166.
Live stock purchases, 665, 2308.
North post office, 816.
Public buildings, need of, 1894, 1908.
Rural mail, 570.

Le Blanc, Seaman, 667, 815.

Lemieux, Hon. R., trips of, 698.

Lemieux, Hon. Rodolphe (Rouville)
Address in reply to Governor General's Speech
Trade conditions, 183.
Transportation, 185.
Civil Service reform, 186.
Redistribution of representation, 187.
Cost of living, 188, 190.
Unemployment, 189.
Financial conditions, 189.
United Shoe Machinery Company, 193.
Naval defence, 195.
By-elections, 199.
Advertising, fraudulent, 3466.
Agriculture
Disbursement of funds in Quebec, 1162.
Estimates, 1107, 1133, 1162, 1683.
Gazette, 1107.
Apple growing, 1133.
Archives, 720, 727, 740, 1769.
Armstrong, J. H., 2179.
Atlantic mail service, 94, 1645, 5030, 5063.
Baie St. Paul mails, 1819, 1914, 3059, 4368.
Bank failures, 3208, 3199, 3522.
Boy scouts, 4131.
Budget, 2574.
Fiscal policies, 2575.
Imperial conferences, 2578.
Cost of living, 2580.
Militia expenditures, 2582.
Tariff, 2585.
Naval defence, 2587.
Free trade, 2588.
Peace centenary, 2590.
Cable rates, 5246.
Canadian Northern Railway, 3991, 4015, 4325, 4525, 4526.
Canadian Pacific Railway office in Austria, 896.
Canals, 5109.
Cap aux Corbeaux wharf, 4293.
Cattle inspection, 759.
Cheese industry, 1683.
Civil Service, 4441, 4448, 4449..
Insurance, 1872.
Superannuation, 5372.
Coal royalties, 1809.
Cold storage, 1752.
Confederation, semi-centennial of, 1444, 4961.

Lemieux, Hon. Rodolphe.—Con.

Criminal Code revision, 3058.
Dentistry congress, 2957.
Dismissals
Faucher, E., painter, 1784.
Leslie, W. C., 369.
Divorce, 828, 1118.
Dry docks subsidies, 3962.
Dubé, Phileas, employment of, 2010.
Electoral corruption, 344.
Exhibitions, international, 359, 1684.
Explosives, regulation of, 3587, 3862.
Fabre, Madame Hector, case of, 4965.
Falardeau case, 455, 463, 699.
Farmers Bank, 3522, 4748.
Fatsari case, 464, 1911.
Fishing disaster—appeal for Government aid, 5195, 5182.
Franking privilege, 971.
French, official documents in, 401, 427, 4434.
Gaspé
Fishermen, loss of, 5181.
Public building, 4191.
Railway communication, 3181, 5121.
Georgian Bay canal, 352, 1020, 2965.
Giasson post office, 2688.
Hagersville postmaster, 2686.
Halifax lightship, 3057.
Heron Island dam, 2377, 2438.
High Commissioner's office, 352, 1766.
House of Commons
Debates, 1778.
French translation, 732, 5267, 5271.
Post office, 399.
Representation, 5321.
Voters' lists, 1774,5267.
Immigration, 4156, 4214.
Bulgarian and Russian, 4560.
French, 1630.
Oriental, 808, 1225.
United States, 697.
Indians
Caughnawaga
Hospital, 422.
Petition, 2394, 3481, 3533, 3537.
Liquor sold to, 3207.
Intercolonial Railway wireless system, 1782.
James Bay harbour, 1208.
Judges' salaries, 697, 1925, 1933.
Judicial Committee of the Privy Council, 1952.
Juvenile delinquents, 3517.
King's Printer, appointment of, 727, 737.
Lapointe, E., and Post Office Department, 900.
Lévis quarantine station, 1108.
Little River East breakwater, 354.
Lobster fishing, 344.
Lumley post office, 1818.
Magdalen Islands steamer service, 408, 757.
Mail bag locks, 473.

Lemieux, Hon. Rodolphe.—Con.

Marine
Estimates, 405-421, 753-762.
Tenders for supplies, 412.
Matches, white phosphorus, 1538.
Metric system, 1753.
Militia, 4588-4592.
Land purchase, 1025.
Processions, 5002.
Monk, Hon. F. D., death of, 3787.
Montreal
Carslake Hotel purchase, 1871, 2079, 2436, 2962, 3318, 4192.
Harbour
Berths, 2546.
Commission, 3869.
Postal station. *See* Carslake Hotel.
Unemployment in, 3716, 4156.
National Transcontinental Railway
Expropriation cases, 699.
Montreal connection, 816, 5127.
Quebec terminals, 4845, 4973.
St. Malo shops, 1535, 4845.
Train service, 1691, 2437.
Naturalization, 4176, 4533.
Naval service, 5152.
Navigation
Great Lakes, 349.
Schools of, 753.
Oka postmistress, 3460, 3505, 3532.
Ontario Equipment Company, 699.
Ottawa
Elevators in Government buildings, 4198.
Federal district, proposed, 1889.
Perley, Hon. G. H., trip to London of, 4631.
Petroleum, export of, 1759.
Pilotage, 3621.
Post office
Employees' salaries, 2379, 3222.
Estimates, 2364, 3639.
Mail bag locks, 354.
Money by mail, 3222.
Parcel post, 350, 5246.
Postage on English magazines, 2312, 3226.
Railway mail clerks, 2381, 5360.
Rural mail service, 376, 5245.
Savings banks, 5199.
Transatlantic mail service, 94, 1645, 5030, 5063.
Poulsen wireless, 2687.
Printing Bureau, 727-737.
Prison reform, 4518.
Privilege, 704.
Privy Council, Judicial Committee of, 1952.
Public buildings, 1882, 4191, 5213.
Quebec
Battlefields Commission, 720, 3891, 4117.
Bridge strike, 5030.
Harbour Commission, 3877.
Harbour plant, 2788, 3055, 3398.
Quarantine officials, 354.
Terminals, 4845, 4973.
Quebec and Saguenay Railway, 4557.

Lemieux, Hon. Rodolphe.—Con.

Quebec-Lévis mails, 2263.
Railway freight rates, 2687.
Royal Society of Canada, 350, 720, 5267.
Ste. Adelaide de Pabos breakwater, 5213.
Ste. Anne des Monts wharf, 2687.
St. Jerome wharf, 3113.
St. Lawrence route, accidents on, 3253.
St. Lawrence ship channel, 976.
Slack, W. F., dismissal of, 921.
Tadousac wharf, 2309.
Telescope for observatory, 344.
Tobacco culture, 5200.
Unemployment in Montreal, 3716, 4156.
Valcartier artillery camp, 924.
Vancouver Island labour troubles, 699.
Victoria Memorial Museum, 1882.
Vineberg, Helen, divorce bill, 4880.
Wireless telegraphy, 349, 5183.

Lennoxville experimental farm, 1534, 2015.

Le Present printing contracts, 1534.

Lespérance, Mr. David O. (Montmagny)
Naval service, 201.
Privilege, 126.

Lévis
Carrier machine shops, 1819, 2961.
Quarantine station, 1108, 1218.

Lévis county
Experimental farm, 369.
Rural mail.

Lewis, Mr. E. N. (West Huron)
Address in reply to Governor General's Speech
Shipping disasters, 136.
Transportation, 137.
Banks and banking, 138.
Naval defence, 139.
Immigration, 139.

Liberator magazine, 3236.

Library of Parliament, 1780.

Little River East breakwater, 354.

Little Sands breakwater, 445, 1605.

Live stock
Industry, 3487, 3493, 3501.
Purchases, 470, 665, 2308.
Pure-bred, distribution of, 701.
See also Animals *and* Cattle Inspection.

Loan Companies Bill. 1r., 970. 2r., 1128. Com., 2913. 3r., 2963. Senate amdts., 4717.

Loan flotations, 5032, 5106.

Lobsters. *See* Fish.

Loggie, Mr. W. S. (Northumberland, N.B.)
Chain, tariff on, 3138.

Loggie, Mr. W. S.—Con.

Dressed stone, tariff on, 3119.
Fish
Commission, 2413.
Markets for, 2404.
Intercolonial Railway, branch lines, 4478, 4877, 5111.
Nails, tariff on, 3145, 4335.
National Transcontinental Railway investigation, 2256.
Potatoes, tariff on, 3044, 3052 (amdt.)

Longhurst, G., payments to, 925.

Lortie, Mr., weights inspector, 5029.

Lotteries, 2911, 3467.

Lower Argyle post office, 1913.

Lumley post office, 1818.

Lunenburg
Breakwater, 3509.
Fishery guardians, 3715.
Mails, 2788.

Lurcher, lightship, 368.

Macdonald, Mr. Edward M. (Pictou)
Alert, steamer, 425, 474, 669.
Brantford public building, 874.
Calgary and Edmonton Railway Company, 796, 800.
Canadian Northern Railway, 1361, 3508, 3818, 3828 (amdt.), 3833, 4009, 4026, 4032, 4050, 4230-4291, 4307-4334, 4384, 4660.
Canadians at Bisley, 512, 1215.
Currie, R., witness, 1005, 1361, 1603.
Dismissals, 783.
Dredges, 5363.
Canada, 1218.
East River improvements, 811.
Falmouth dyke, 1780.
Fenian raid veterans, 440, 1022, 3365, 4344.
Ferrona-Sunny Brae Railway, 669.
Fisheries protection, 1820.
Granton rural mails, 2686.
Hants county electoral lists, 817.
Hantsport
Building, 1023.
Wharf, 4713.
Horse breeding, 3498.
House of Commons representation, 619, 848, 5307, 5324, 5356, 5359 (amdt.)
Hudson Bay terminals, 4878.
Ice-breaker, contract for, 2962.
Intercolonial Railway
Coal contracts, 438, 924, 1332, 1645, 1786, 2956, 3192.
Earnings, 2308.
Fire claims, 2959.
Management, 438, 3269, 3278.

Macdonald, Mr. E. M.—Con.

New Glasgow and Sydney connections, 3192.
Oxford-Pictou line, 895, 3192.
Pictou bridge, 3193.
Provident fund, 572, 5362.
Refrigerator cars, 1604.
Repair shops, 2957.
Right of way, 3192.
Traffic agreement with Canadian Pacific Railway, 608.
Judges' salaries, 3615, 3888.
Labour conditions on Vancouver Island, 552, 1318.
Labrador coast line, 2953.
Labrador, Quebec and Southern Railway Company, 2922, 2953.
Lightkeepers, age limit, 1177.
Meadowville-Toney Mills mails, 1603.
Militia camp supplies, 2840.
Musquodoboit mails, 1817.
National Transcontinental Railway
Coaling plants, 2787.
Commission Act Amendment, 4856.
Investigation, 2268.
Naturalization, 2312, 4128, 4808.
Naval College, Halifax, 3254.
New Glasgow armoury, 702.
Newfoundland
Fishing disaster. 2916.
Steamship service, 2916.
Niobe crew, 1023.
Nova Scotia water lots, 1022.
Old age pensions, 1347.
Ottawa
Building leases, 2519.
Capital, as the, 1882, 1888.
Water supply, 1331.
Pictou
Bridge, 3193, 5363.
Mails, 572, 1699, 1819, 1913.
Post offices, 1022.
Public building, 809.
Rural mail, 924. 1023.
Pig iron, drawback on, 3212.
Preventive officers' reports, 1423.
Prince Edward Island winter service, 701.
Private Bill legislation, 993.
Pure-bred stock, 701.
Returns, alleged incomplete, 2364.
Royal Canadian Regimental Band, 3317.
Senate representation, 5303.
Skinner's Cove public works, 809.
Smelt fishing licenses, 2178.
Steel industry, 665, 1530.
Tatamagouche rural mails, 3208.
Technical education, 3054. 4888.
Thorburn railway communication, 701.
Transportation, 2985.
Vancouver leased buildings, 2957.
Vincent, J. U., appointment of, 1406.
Vineberg, Helen, diverce bill, 4670.
Weir's Mill fishway, 1820.
West Branch mail service, 924.

Macdonald, Mr. E. M.—Con.

Windsor fish hatchery, 1535.
Young, Angus, customs officer, 669.

Macdonell, Mr. A. C. (Toronto South)
Privilege, 3160.
Toronto, Niagara and Western Railway, 3270, 3476.

Maclean, Mr. Alexander K. (Halifax)
Address in reply to Governor General's Speech
Naval defence, 50.
Highways improvement, 52, 55.
Tariff, 53.
Senate reform, 54.
Election laws, 54.
Financial conditions, 56
Aldershot camp, 1435.
Annapolis county mails, 345.
Basic slag, 647.
Boar's Head fog alarm, 2787.
British Columbia claims, 559.
Budget, 2471, 2482.
Revenue and expenditure, 2482.
Trade, 2485.
Fenian raid bounties, 2487.
Election promises, 2489.
Agricultural implements, 2491.
Free wheat, 2492.
Tariff on food products, 2497.
Canadian Northern Railway, 345, 4025, 4333.
Canadian Pacific Railway labour award, 2961.
Canning public building, 1899, 4183.
Capital expenditure, 1914.
Civil Service, 4447.
Coke, tariff on, 3137.
Coldbrook postmaster, 1690.
Dismissals, 965, 1435.
East Jeddore dredging, 925.
Electoral corruption, 900.
Farmers Bank, 3520, 4693 (amdt.), 4703, 4902.
Fenian raid veterans, 446, 4342.
Fielding, P., employment of,
Fisheries
Advisory board, 348, 2413.
Salt fish shipments to Portugal, 889.
Government officials in politics, 434.
Government steamers
Maintenance and repairs, 405, 411.
Winter service, 3055.
Halifax
Armouries, 704.
County mails, 925.
Dennis building, 5031.
Fortifications, 345.
Militia contracts, 3714.
Post office, 345.
Harbourville light, 1434.
Hebb, L. J., expenses of, 2178.
High Commissioner's office, 313.

Maclean, Mr. A. K.—Con.

House of Commons, accommodation in, 4198.
Hudson Bay
Fisheries, 347.
Terminals, 346, 671, 4466.
Indians, Nova Scotia, 2840.
Intercolonial Railway
Block signals, 3318.
Dartmouth-Dean branch, 4860.
Land valuators, 345.
Suburban trains, 1062.
Kentville, tuberculous cattle at 4559.
La Have Islands mails, 704.
Longhurst, G., payments to, 925.
Lunenburg
Breakwaters, 3509.
Fishery guardians, 3715.
Mails, 2788.
Mortgage Corporation of Nova Scotia, 1416.
Naval service, 326, 346.
Navigation, schools of, 751.
North Shore mail service, 573.
Patronage system, 415.
Public buildings, 1906, 4196.
Senate representation, 1489.
Shelburne county fisheries, 349.
Steamship subsidies, 5041.
Tariff, 3042, 4335; proposed amendment, 4426.
Transatlantic mail service, 577, 5042, 5043.
West Indies
Flour trade, 885.
Steamship service, 439, 957.
Trade commissioner, 440, 882.

Maclean, Mr. William F. (South York, O.)
Address in reply to Governor General's Speech
Parcel post, 237.
Free wheat, 238, 297.
Railway conditions, 241.
Banks and banking, 243.
Cost of living, 245.
Naval defence, 247.
Immigration, 299.
Canadian Northern Railway, 3974, 4304, 4404, 4421.
Cigarettes, prohibition of, 1482.
Confederation, semi-centennial of, 1454.
Federal laws, enforcement of, 1482.
Freight rates, 1608. *See also* Ocean.
High Commissioner's office, 1768.
House of Commons representation, 856, 5310.
Intercolonial Railway-Canadian Pacific Railway traffic agreement, 602.
Ocean freight rates, 931, 945.
Ottawa as the Capital, 1883.
Pollution of navigable waters, 1746.
Senate, 1495, 5282, 5291, 5298.
Suburban train services, 1066.
Toronto, Niagara and Western Railway, 3274.

MacNutt, Mr. Thos. (Saltcoats)
Address in reply to Governor General's Speech—free wheat, 285.
Agricultural implement duties, 1578.
Homestead entry, 4368.
Melville post office, 3111, 3398, 3638, 5240.
Wishart, A., sentence of, 4367.

McCoig, Mr. Archibald B. (West Kent, O.)
Budget, 2597.
Agricultural implements, 2597.
Tobacco culture, 2600.
Free wheat, 2602.
Cavalry remounts, 2602.
Railway subsidies, 2603.
Hydro-electric lines, 4716.
Tariff, 3142.
Tobacco culture, 1374, 2600.

McCraney, Mr. Geo. E. (Saskatoon)
Address in reply to Governor General's Speech—free wheat, 279.
Agricultural implement duties, 1581.
Grain markets, 1661.
House of Commons representation, 5309.
Lands unpatented, 1918.
National monuments and land marks, 720.
Natural resources, provincial control of, 1084.
Naval service, 335.
Pollution of navigable waters, 1606.
Rosthern
Customs collector, 573.
Lands agent, 573.
Trade and Commerce bulletin, 474.
Volunteer bounty, 1400.

McCrea, Mr. Francis N. (Sherbrooke)
Canadian Northern Railway, 3972.
Farmers Bank, 4925.
Freight rates, 953.
Militia, 3422.
National Transcontinental Railway, 4454.
Sherbrooke
Agriculture, 5027, 5201.
Automobiles, 5130, 5262.
Buildings leased, 3317, 3894.
Drill hall and post office, 2959, 3111, 3509, 4368.

McCurdy, Mr. F. B. (Shelburne and Queens)
Advertising, fraudulent, 4215.
Fast Atlantic service, 5046, 5057.
Fenian raid veterans, 4345.
Fish transportation, 389, 5069.
Hudson Bay Railway, 4467.
Judges' salaries, 3611.
National Transcontinental Railway investigation, 2243.

McFadden, D. H., employment of, 663.

McKay, Mr. James (Prince Albert)
Advertising, fraudulent, 3472.
Dismissals, 1004.

McKay, Mr. James.—Con.
Dominion lands, 3351.
Forest reserves, 3557.
House of Commons representation, 5360.
Northern Territorial Railway Company, 2175.
University of Emmanuel College, 2398.

McKenzie, Mr. D. D. (North Cape Breton)
Address in reply to Governor General's Speech
Trade policies, 216.
Solicitor-Generalship, 219.
Highways improvement, 221.
Agriculture, aid to, 225.
Tariff, 226.
Transportation, 227.
Advertising, fraudulent, 3471.
Canadian Northern Railway, 4278, 4546.
Cap Rouge wharf, 5243.
Civil Service, 1874, 4441.
Dismissals, 1186.
Drill halls, 4183, 4204.
Duchemin, Mr., legal expenses of, 5238.
Excise officers, 1400.
Farmers Bank, 4706, 4790.
Fenian raid veterans, 1022, 1399, 3394, 4363.
Fish and fisheries
Bulletin, 5192.
Lobster regulations, 5188.
Overseers, 2405, 2416.
Pickled, inspection of, 4435.
Protection, 1798, 1820, 1829.
Fort Cumberland restoration, 1901.
Government Railways Claims Act, 2394.
Harbours, federal control of, 2392.
Hudson Bay Railway, 4468, 4474, 4879.
Intercolonial Railway
Branch lines, 1736.
Cape Breton improvements, 3195, 5122.
Dismissals, 5122.
Judges' salaries, 1931, 1944, 3609, 3889.
Legal expenses, 4160.
Matches, manufacture of, 1757.
Metric system, 1754.
Militia bands, 5011.
National Transcontinental Railway investigation, 2292.
Naturalization, 4145, 4544, 4811.
North Sydney
Harbour commission, 1540, 1791.
Public buildings, 1907.
Pig iron industry, 3219.
Pilotage, 3630.
St. John Valley Railway bridges, 3882.
St. Peter's canal, 2963, 4481.
Shipping Act Amendment, 1788.
Sydney Mines public building, 1707.
Technical education, 5206.
Telegraph service in Victoria county, 1359, 4185, 5237.
Trust companies, 1129.
Victoria county steamship service, 5071.

McLean, Mr. Angus A. (Queens, P.E.I.)
Cold storage, 3563.
Confederation, semi-centennial of, 1451.
Fenian raid veterans, 3365, 4357.
Fish transportation, 385.
House of Commons representation, 859, 5359.
Judges' salaries, 3607.
Newfoundland, steamship service to, 2924.
Potatoes, tariff on, 3087.
Senate representation, 5285, 5299, 5306.
Shipping casualties, 4554.
Southport fish hatchery, 3112.
Stone, tariff on, 3128.

McLean, Mr. H. H. (Sunbury and Queens)
North Sydney Harbour Commission, 1793.
Shipping Act Amendment, 1787.

McLeod, Mr. Harry F. (York, N.B.)
Address in reply to Governor General's Speech
Prosperity of Canada, 5.
Redistribution of representation, 5.
Agriculture, encouragement of, 6.
Naval defence, 7.
Divorce, 4886.
St. John Valley Railway, 3022.
Southampton Railway Company, 1471.

McMillan, Mr. John A. (Glengarry)
Fenian raid veterans, 3373.

McPherson, C., postmaster, 2787.

McVeigh, H. B., homestead entry of, 2841.

Madoc bank failure, 3199.

Magdalen Islands mail service, 344.

Mail Bag Locks. *See* Post Office.

Mail Clerks. *See* Civil Service.

Maisonneuve postal station, 441.

Manitoba
School lands, 2786.
Schools, 367.

Map, Interior Department, error in, 2902.

Maple Leaf steamship line, 4294.

Marble, tariff on, 3115.

Marcil, Hon. Charles (Bonaventure)
Agriculture, 1676, 1683, 3487.
Atlantic, Quebec and Western Railway, 892.
Avignon post office, 818.
Baie des Chaleurs Railway, 358.
Black Cape post office, 703, 2178.
Bonaventure
Agriculture in, 1676.
Experimental farm, 357.
Indians, 2471, 2544, 3534, 3541.
Inland revenue officers, 1424.
Mails, 1692.

Marcil, Hon. Charles.—Con.
Public works, 892, 1360.
Budget, 2755.
Cost of living, 2756, 2764.
Development of Canada, 2757.
Transportation, 2758.
Intercolonial Railway branch lines, 2761.
Gaspé peninsula, 2765.
Good roads, 2767.
Fishing industry, 2769.
Butter, manufacture of, 3171.
Carleton Centre mails, 1818, 4021.
Dismissals, 1171, 1202, 4435.
Duthie Point lighthouse, 703.
Elections, resumé of, 2995.
Fenian raid veterans, 4344, 4370.
French
Official documents in, 732, 4434.
Translators, 1912.
Gaspé
Agriculture, 1677.
Petroleum deposit, 3465.
Steamer service, 1433, 2437, 2939, 3058.
Horseflesh abattoirs, alleged, 3487.
Intercolonial Railway
Appointments, 2956.
Branch lines, 353, 2761, 5120.
News service, 1266.
Station improvements, 2544.
Water service, 2544.
Jallet, N., widow of, 1066.
Judges' salaries, 3619.
Lotteries, 2911, 3467.
Manitoba schools, 367.
Militia and religious processions, 5375.
Navigation, schools of, 750.
New Richmond
Freght shed, 2437.
Lightkeeper, dismissal of, 2439.
Mails, 1692, 2178, 3058.
News service on Government railways, 1266.
Petroleum deposits, 3465.
Port Daniel lobster hatchery, 2519, 3318.
Printing Bureau, 732.
Quebec assistant weights and measures inspector, 3318.
Robitaille postmaster, 3058.
Ste. Anne de Restigouche dredging, 3112.
Saturnia, accident to, 3399.
Senate representation, 1497.
Shigawake rural mails, 1692.
Sorel shipyard, 986.
Tide Head salmon pound, 1692.

Marcile, Mr. Joseph E. (Bagot)
Acton Vale mails, 700.
Bagot county rural mails, 1694.

Margaree Harbour, 354.

Marine and Fisheries Estimates, 324, 402-421, 749-764, 967-991, 1164-1214, 2398-2434.

Marine hospitals, 1213.

Marion Bridge-Woodbine mails, 1116.

Maritime provinces mail service, 166, 202.

Marline twine duty, 344.

Marriage laws, 444

Martin, Mr. Mederic (Montreal, St. Marys)
Estimates, printing of, in French, 403.
Unemployment in Montreal, 4156.

Martin, Mr. William M. (Regina)
Judges' salaries, 3613.
Maple Leaf Steamship Line, 4294.
Naturalization, 4129.

Matches, White Phosphorus, Prohibition Bill. Res., 1536. 1r., 1539. 2r., 1756. Com., 1756., 1756. 3r., 1758.

Meadowville-Toney Mills mails, 1603.

Meat inspection, 2370. *See a'so* Food.

Megantic public building, 2960.

Meighen, Hon. Arthur (Solicitor General)
Address in reply to Governor General's Speech
Free food, 152.
Highways Bill and the Senate, 152.
Agricultural implement duties, 1589.
Campbell, Glen, 1863.
Canadian Northern Railway, 3682, 4009-4019-4079, 4217-4292, 4297-4334, 4381, 4526-4529, 4546-4551, 4649.
Co-operative Credit Societies, 3637.
National Transcontinental Railway investigation, 2085.
Privilege, question of, basing on newspaper statements, 1121.
Prudential Life of Canada, 2901.

Melville post office, 3111, 3398, 3638, 5240.

Menace newspaper. *See* Aurora Menace.

Menard, G., dismissal of, 2689.

Merchants and Employers Accident Guarantee Company Bill. 1r., 1870. 2r., 3512. Com., 3512. 3r., 3513.

Merchant Shipping Amendment Bill. 1r., 94. 2r., 743. Com., 1786. 3r., 1819. *See also* Canada Shipping.

Merner, Mr. J. J. (South Huron)
Farmers Bank, 4800.

Metcalfe drill hall, 667.

Metric system. *See* Weights and Measures.

Mica schist, tariff on, 3110.

Michaud, Mr. Pius. (Victoria, N.B.)
Edmundston
Immigration office, 704, 1619.
Public building, need of, 1898.
Fenian raid veterans, 440, 473, 1693.
Government officials in politics, 1841.
Grand Falls-St. John Railway, 365.
Imports from United States, 1117.
Intercolonial Railway private car, 1018.
National Transcontinental Railway, 2161, 4455.
New Brunswick schools, 955.
Quebec and Saguenay Railway, 4022.
St. John Valley Railway, 3020, 3881, 4023.
St. Leonards immigration agent, 569.
Tobique Indian reserve, 1218.

Middlebro, Mr. William S. (North Grey)
Debt of Canada, 1116.
Dry docks, 4093.
National Transcontinental Railway
Cost, 1536.
Investigation, 2036.

Militia
Armouries, 2786, 4576, 5007.
Automobiles, 813, 2081.
Bands in political demonstrations, 2178, 3111, 3210, 3317, 4340, 5002, 5010.
Boat contracts, 2591.
Camp areas, 5017.
Camp supplies, 2840.
Canteens, 2734.
Cavalry remounts, 2546, 2602, 2789.
Dorval camp, 1025.
Drill halls, 2786, 4576, 5007.
Employees in department, 813.
Estimates, 336, 2363, 2370, 3199, 3399-3452, 4567, 4999, 5269.
Amendment proposed: Mr. Proulx, 5270.
Expenditures, 2309.
Honorary colonels, 1605.
Minister of, and Sir Ian Hamilton, 441.
Minister of, and Ulster, 1903.
Minister of, in Europe, 444.
Motor boats, 705.
Officer commanding 6th division, 1783.
Pembroke Lumber Company, claim of, 5022.
Petawawa Camp, detective service, 815.
Poster, 1536, 1607, 2082.
Private car repairs, 813.
Queenston Heights picnic, 441.
Religious processions, Militia in, 2178, 5002, 5375.
Rifle ranges, 5008.
Sham battles, 814.
Special train, 814.
Works, expenditure on, 816.

Mines Department estimates, 1801.

Molloy, Mr. John P. (Provencher)
Address in reply to Governor General's Speech—free wheat, 283.

Molloy, Mr. John P.—Con.

Canham, J. E., land agent, 1867.
McFadden, Dr. D. H., 663.
Members of provincial legislature, employment of, 3510.
Morris, public building for, need of, 4199.

Mondou, Mr. A. A. (Yamaska)

Intercolonial Railway branch lines, 1739.

Money Lenders Act Amendment Bill. 1r., 201.

Monk, Hon. F. D.
Death of, 3785.
Resignation of, 1264.

Montcalm, revenue from tobacco in, 2958.

Montcalm, steamer, 666.

Montreal
Carslake hotel purchase, 1871, 2079, 2436, 2962, 3318, 4023, 4192.
Circuit court judges, 697.
Colonization Society, 472.
Harbour
Master, 4022, 5188.
Steamer berths, 2546.
Public Works
Resident engineer, 1117, 2439, 5241.
Staff, 1435.

Montreal Harbour Commissioners Bills
Loan. Res., 3631. 1r., 3636. 2r., 3869. Com., 3869. 3r., 3876.
Taxes, exemption from. 1r., 4523. 2r. and Com., 4830. 3r., 4831. Senate amdts. 5361.

Morphy, Mr. H. B. (North Perth)
Budget, 2770.
Cost of living, 2771.
Wheat production, 2776.
Technical education, 2777.
Butter, manufacture of, 3168.
Experimental farms, 1154.
Farmers Bank, 4703, 4718.
Fenian raid veterans, 3370.
Judges' salaries, 3612.
Naturalization, 4175-4815.
Newfoundland, trade with, 2934.
Pacific, Trans-Canada and Hudson Bay Railway Company, 2921.
Rural mail boxes, 5134.
Tye, W. P., gratuity to widow of, 3634.
Vancouver Island labour troubles, 1270.

Morrisburg mails, 1692.

Morris, Mr. James (Chateauguay)
Budget, 2684.
Naval service, 5175.
St. Lawrence river dams, 3317.
Valleyfield excise, 2958.

Morrison, Colonel, expenses of, 1915.

Moulin Dubois post office, 1019.

Mounted police, 310, 708, 1119

Murphy, Hon. Charles (Russell)
Canadian Northern Railway, 3253, 4013, 4280.
Civil Service, 666.
Civil Service superannuation, 1691.
Cost of Living Commission, 356.
External Affairs, Department of, 355.
French river improvements, 1604, 2081.
Governor General's warrants, 2370.
Halifax terminals, 1332.
High Commissioner's office, 314.
House of Commons representation, 5311.
Hudson Bay Railway, 924.
Intercolonial Railway grade reduction, 668.
Metcalfe drill hall, 667.
National Art Gallery, 811.
National Transcontinental Railway
Contracts, 1115.
Drawbacks on, 1330.
Investigating Commission, 1782.
Naval service, 332.
New Westminster postmastership, 355.
Ottawa
Custom House, 811.
Drill hall, 667.
Property purchases, 666.
Rifle range, 668.
Water supply, 1744.
Peat experiments, 1806.
Port Arthur elevator, 809.
Post Office—temporary appointments, 3239.
Prescott shipyard, 426.
Printing Bureau estimates, 724-740.
Privilege, 257.
Safety at Sea Convention, 358.
Secretary of State's estimates, 724.
Technical education, 355.
Trust companies, 1128, 1130.
Welland Canal, 925.

Murray Bay winter service, 1915.

Nails, tariff on, 3145.

Nantel, Hon. Wilfrid B. (Minister of Inland Revenue)
Adulteration Act Amendment, 1433, 2388, 3362.
Dismissals, 1377-1394, 1401-1406, 1424.
Excise, 1370, 1417, 5266.
Inland Revenue estimates, 339, 1370-1395, 1400-1432, 2364, 5266.
Scales, regulation of, 1419.
Tobacco, stamps for, 1373, 1418.
Vincent, J. U., appointment of, 340, 1406, 1427.
Weights and Measures Act Amendment, 1359, 1753.

Napadogan military camp, 5017.

National Art Gallery, 811.

National Battlefields at Quebec Bill. 1r., 3636. 2r., 3890. Com., 3890, 4112. 3r., 4119.

National Transcontinental Railway, 14, 29, 115.
Coaling plants, 2787, 3113.
Contracts, 1115.
Drawbacks on, 1329.
Cost, 1536.
Deficit, 1780.
Eastern division
Construction, 4877.
Expenditure, 1018.
Operation, 5033.
Rates, 569.
Estimates, 2371, 4453-4462, 5106.
Expropriation cases, 699.
Grade changes, 921.
Investigating Commission, 1328, 1782, 1915, 1970.
Expenses of, 895.
Report of, 879.
Land purchases, 1781.
Little Mistongo river bridge, 573.
Management, 5072.
Amendment proposed: Mr. Pugsley, 5072.
Ministerial statement, 1964, 1982, 2021, 2085, 2132, 2155, 2180, 2218, 2264, 2312.
Amendment proposed: Mr. Graham, 2036; div., 2363.
Montreal connection, 816, 5127.
Payments to contractors, 1781.
Quebec terminals, 1913, 2177, 4839-4857, 4968, 5085-5106.
St. Malo
Shops, 360, 701, 1535, 1817.
Tunnel, 891.
Ste. Perpetué station, 1913.
Shops, estimate of, 1018.
Sillery lands, 1534.
Stations, contracts for, 1604.
Train service, 1691, 2437.
Transcona shops, 360, 664.

National Transcontinental Railway Bills
Extension of time. 1r., 201. 2r., and 3r., 749.
Operation. 1r., 4711. 2r., 4838. Com., 4838. 3r., 4894.
See also Grand Trunk Pacific Railway.

Naturalization, British Nationality, Bill. 1r., 3249. 2r., 4119, 4133. Com., 4142, 4173, 4529, 4807. 3r., 4823, 4830. *See also* 1763, 2312.

Natural resources, provincial control of, 1067, 1084.

Naval Affairs
College at Halifax, 329, 3208, 3254.
Defence, 7, 16, 25, 46, 50, 61, 79, 89, 98, 99, 111, 120, 127, 139, 145, 177, 247.
Enlistment, 346.

Naval Affairs.—Con.
Naval Service Act Repeal Bill. 1r., 201.
Naval Volunteers, 1914.
Regulations, 976.

Naval service, department of, 5146.
Estimates, 326-336.

Navigable waters
Pollution of. *See that title.*
Protection of, Bill. 1r., 343.

Navigation
Great Lakes, on, 349.
Schools of, 749.

Neely, Mr. D. B. (Humboldt)
Address in reply to Governor General's Speech
Highways improvement, 259.
Free wheat, 260; proposed amdt, 267.
Agricultural implements
Duties on, 1570.
Industry, 572.
Budget, 2718.
Taxation, 2720.
Free wheat, 2723.
Agricultural implements, 2727.
Steel industry, 2729.
Freight rates, 2730.
Calgary and Edmonton Railway Company, 803.
Campbell, Glen, complaint against, 621, 1853.
Canadian Northern Railway, 4000, 4071.
Central Western Canada Railway Company, 768, 806.
Dismissals, 1003, 1200.
Dominion lands, 3355.
Dominion lands agent, removal of, 1851.
Elevators, terminal, 1216.
Express franking privilege, 1018.
Freight rates, 937.
Government officials in politics, 621, 1200, 1853.
Grain
Bill, 3577.
Inspection, 1117.
Sample markets, 2787.
Homestead entries, 570.
Humboldt homestead inspector, 569.
Intercolonial Railway: Smith, R. H., employment of, 1690.
Labour conditions on Vancouver Island, 561.
Labour Department, employees of, 660.
Manitoba school lands, 2786.
Militia, 337, 3444.
Naturalization, 4173.
Natural resources, provincial control of, 1087.
Public buildings in Saskatchewan, need of, 4200.
School lands, 3638.
Volunteer bounty, 1399.

Neely, Mr. D. B.—Con.

Watrous postmaster, 3715.
Windsor immigration office, 5028.

Nesbitt, Mr. Edward W. (North Oxford)
Address in reply to Governor General's Speech
Naval defence, 127.
Highways improvement, 129.
Financial conditions, 129.
Tariff, 131.
Cost of living, 132.
Free wheat, 133.
Transportation, 135.
Agricultural estimates, 1104, 1142, 1674.
Agricultural implements, tariff on, 3140.
Armouries, 1890.
Brantford public building, 817, 871, 5218.
Budget, 2789.
Expenditures, 2790.
Tariff, 2792.
Agricultural implements, 2795.
Free wheat, 2796.
Transportation, 2799.
Butter manufacture, 2387, 3163.
Calgary and Edmonton Railway Company, 799.
Canadian Northern Railway, 3833, 4327, 4411.
Cow testing, 1674.
Farmers Bank, 4786.
Immigration, 1635.
King's Printer, appointment of, 738.
Loan companies, 4717.
McClary Manufacturing Company, 1216.
Mail delivery, 2014.
Militia, 3449.
Peat experiments, 1804.
Railway mail clerks, 2384.
Rural mails, 5132.
Tariff, 3105, 3149.
Toronto, Niagara and Western Railway Company, 3476.
Trust companies, 1127.

Newfoundland
Shipping disaster, 2517, 2995.
Trade with, 2916, 2923.

New Glasgow
Armoury, 702.
Intercolonial Railway
Surveys, 3193.
Train service, 895.

New Harbour breakwater, 365, 2787.

Newmarket canal, 4368.

Newport customs employees, 890, 1021, 1332.

New Richmond
Freight shed, 2437.
Lightkeeper, dismissal of, 2439.
Rural mails, 1692, 2178, 3058.

Newspapers
Advertising, 1781, 2438.
Postage rates, 2312, 3225.
Tariff on, 3107.

New Westminster postmastership, 355.

Niagara Falls mails, 2014.

Nickle, Mr. William F. (Kingston)
Canadian Northern Railway, 3696.
Capital punishment, 496.
Farmers Bank. 3528.
Kingston penitentiary, 4504-4512, 4513.
Prudential Life of Canada, 2898, 3478.

Nicholson, Mr. Donald (Queens, P.E.I.)
Address in reply to Governor General's Speech
Cost of living, 121.
Reciprocity, 122.
Redistribution of representation, 123.

Niobe crew, 1023.

North Riverside postmaster, 2686, 3209, 3509, 4022.

Northrup, Mr. William B. (East Hastings)
Divorce reform, 821, 4884.

North Shore-Hubbard's mail service, 573.

North Sydney Harbour Commissioners Bill.
Res., 1539. 1r., 1540. 2r., 1791. Com., 1791. 3r., 1820.

Northwest Mounted Police, 2544.

Norton Creek, deepening of, 5028.

Nova Scotia
Coal, Ontario market for, 365.
Immigration agents, 1691.
Water lots, 1022.

O'Brien, A. H., superannuation of, 1945.

Ocean freight rates, 931, 2927. *See also* Freight Rates.

Officials in politics. *See* Government officials.

Oil, export of. *See* Petroleum.

Oka postmistress, 3460, 3505, 3532.

Old age pensions, 1333.

Oliver, Hon. Frank (Edmonton)
Address in reply to Governor General's Speech
Agriculture, 81, 84.
Transportation, 85.
Labour conditions, 83.
Cost of living, 87.
Banks and banking, 88.
Naval defence, 89.
Free wheat, 267.

Oliver, Hon. Frank.—Con.

Advertising, fraudulent, 3469.
Agricultural implement duties, 1595
Asiatic trade, 888, 5037.
Athabasca Landing-Fort McMurray telegraph, 354.
Atlantic mail service, 5065.
Atlin Railway Company, 2397.
Bad Throat river water powers, 1913.
Binder twine, 1609.
Butter, manufacture of, 3162.
Calgary and Edmonton Railway Company, 800.
Canada Temperance Act, 1761, 3590.
Canadian Northern Railway, 3319, 3773, 4083, 4233-4290, 4299-4334, 4415 (amdt), 4545, 4548, 4550.
Capital punishment, 508.
Caterpillar pest, 1132.
Central Western Canada Railway Company, 768, 805.
Cigarettes, prohibition of, 1481.
Civil Service insurance, 1871.
Coal for dredges, 2078.
Cold storage, 3562, 4172.
Conservation Commission, 719.
Customs officials, 423.
Dismissals, 370, 1182, 1644.
Dominion lands, 3326, 3511, 4821, 4889.
  Orders in council, 4714.
Dunvegan telegraph, 816.
Edmonton and Fort George mail service, 891.
Edmonton drill hall, 354.
Edson-Grand Prairie mails, 369.
Exhibitions, 1685.
Fenian raid veterans, 571, 4340.
Fletcher, J., employment of, 351.
Forest reserves, 3512, 3554, 4151.
Freight rates, 938, 947, 2196, 2980.
Gimli land patent, 1359.
Government officials in politics, 626, 706, 741, 1865.
Grain
  Bill, 3161, 3575.
  Elevators, 1646-1666.
Grand Rapids water lease, 1361.
High Commissioner's office, 312.
Hog cholera, 3174.
House of Commons distribution office, 1775.
Hudson Bay terminals, 680, 1209.
Immigration, 1613, 4155.
  Asiatic, 350, 1220, 5213.
  Deportations, 891, 1613, 1640.
  European, 572, 1642, 4159.
  Hindu, 4022, 4130, 4214, 4295, 4369, 4524, 4556, 4562, 4717, 4954.
  Regulations, 350, 351, 4155.
  Statistics, 351.
  Unemployed, 4157, 5211.
  United States, 1616, 1640.
Indians
  British Columbia reserves, 5209.
  Kitsilano reserve, 350, 664, 922.
  Schools, 2397, 3481, 3532.
Irrigation, 3485, 3601.
Kamloops
  Drill hall, 1331.
  Public building, 1021.
Karluk, steamer, 811, 2264.
Land patents, 3113.
Lands unpatented, taxation of, 1921.
Lesser Slave Lake, dredging in, 5236.
Metric system, 1754.
Militia, 5006.
Mounted police, 710, 4964.
National Transcontinental Railway investigation, 2189.
Naturalization, 4130, 4144, 4808.
Natural resources, provincial control of, 1091.
Naval service, 329-336.
Navigable waters, pollution of, 1746.
Pacific, Trans-Canada and Hudson Bay Railway Company, 2949.
Parks, Dominion, 4154.
Patents, renewal of, 1668, 2918.
Petroleum, export of, 972, 1759, 3463.
Pollution of navigable waters, 1746.
Post Office
  Britain to Canada rates, 3232.
  Western service, 3633.
Prince Edward and Hastings Railway Company, 2921.
Public Works estimates, 4201, 5235.
Railway bridges and highway traffic, 3886.
Railway charters, 2950, 2953.
Railway from British Columbia to Alaska, 1870.
Railway level crossings, 3958.
Rainy River Radial Railway Company, 2950.
Rebellion claims, 4967.
St. Peter's Indian reserve, 354, 475, 571, 891.
San Francisco exhibition, 1685.
Seeds Inspection Bill, 4169.
Senate representation, 1492, 5293.
Steffansson expedition, 352.
Tariff, 3038, 3128, 4338, 5363.
Tar sand deposits, 1810.
Telegraph lines, 5242.
Transportation, 2980.
W. C. Edwards Company, 3475.
Western freight rates, 1914.
White Water lake, 1331.
Yukon Placer Mining Act, 3967.

Ontario Equipment Company, 699.

Ontario Fire Insurance Company, 4295, 4713.

Orange Lodges and the French language, 2081.

Ores, treatment of, 1803.

Oriental industrial competition, 4558.

Ottawa
Building leases, 2439, 2519, 2544.
Capital, as the, 1882-1889.
Capital Planning Commission, 2373, 5196.
Coal contracts, 4206.
Custom House, 811, 2079.
Drill hall, 667.
Fire alarm system, 1332.
Improvement Commission, 697.
Property purchases, 666.
Public buildings, 1533, 1875-1890, 4197, 4205.
Rifle range, 668.
Water supply, 314, 1331, 1744, 1882, 4206.

Ottawa river lightkeepers, 574.

Owen Sound mails, 2014.

Pacaud, Mr. Lucien T. (Megantic)
Canadian Northern Railway, 3979.
Dismissals, 1390.

Pacific defence forces, 1751.

Panama canal, 2915.
Effect on Canadian rates, 3509.

Papineau, Mr. Louis J. (Beauharnois)
Valleyfield dredging, 2992.

Paquet, Mr. Eugene (L'Islet)
Agriculture, 1143.
Immigration, 1437, 1639.
Postal service, 3853.

Paradis, L., fumigation station inspector, 2840.

Parcel post, 215, 257, 350, 1360, 5246.
Franking privilege, 621.

Pardee, Mr. Frederick F. (West Lambton)
Brantford public building, 877.
Canadian Northern Railway, 3953, 4036, 4068.
Drill halls, 1890.
Farmers Bank, 4917.
Ferguson, G. H., appointment of, 1915.
Grain Commission, 2376.
Lake Erie buoy service, 2519.
Militia, 702, 2309, 3428.
Minister of Militia and Ulster, 1902.
Newmarket canal, 4368.
Parcel post, 1360.
Petroleum, export of, 3465.
Tariff, 3115.
Toronto harbour, 812.
Trade Commissioners, 886.

Parent, engineer, dismissal of, 5241.

Paris Government office, 4965.

Parliamentary documents, distribution of, 1775.

Parliamentary procedure
See also Speaker.
Answers to questions, lengthy, 1061.
Divorce Bills—printing of evidence in French, 4880.
Estimates not printed in French, consideration of, 403.
Ex-members, statements affecting, as questions of privilege, 1119-1125.
Improper motives, imputation of, to Government, 2009.
Privilege, questions of, 343, 705, 1119, 2016, 2083, 3455.
Question ruled out as improper and frivolous; appeal, 2017; div., 2019.
Questions without notice, 285, 475, 477, 511.
Reply, right of, on adjournment motion, 519.
Senate amendments
Amendment of, 5034.
Discussion of, 4893.
Shipping Bill not preceded by resolution, 743.
Supply, Committee of, without question put, 306, 512, 707.
Supply resolutions, concurrence in *en bloc*, 2376.
Thursdays, Government business on, 696.

Parliamentary representation. *See* House of Commons *and* Senate.

Patents
Office, 5200.
Record, 1098.
Renewal of, 1668, 2918, 2948, 3205.

Payne, Steven, employment of, 1605.

Peace Centenary. *See* Canadian Peace Centenary Association.

Peat, experiments with, 1804.

Pedley, F., case of, 817.

Pelagic sealing claims, 2372.

Pelee Island steamer subsidy, 5039.

Pelletier, Hon. L. P., expenses of, 1117.

Pelletier, Hon. Louis P. (Postmaster General)
Address in reply to Governor General's Speech
Dismissals, 203.
Redistribution of representation, 203.
Transportation, 206, 209.
United Shoe Machinery Company, 207.
By-elections, 209.
Free food, 212.
Naval defence, 213.
Parcel post, 215.
Atlantic mail service, 94, 5056.
Canadian Northern Railway, 4634.
Civil Service appointments, 1164.
Divorce bills, 4882.

Pelletier, Hon. Louis P.—Con.

Empress of Ireland, loss of, 4556.
Exhibitions, 1685.
Farmers Bank, 4741.
Georgian Bay canal, 2966.
High Commissioner's office, 1767.
House of Commons
French translation, 733, 736, 1779.
Post office, 399.
Representation, 854, 5315.
Intercolonial Railway—Rivière du Loup facilities, 4970.
Lafontaine, Mr., Canada's exhibition representative, 1685.
Lemieux, Hon. R., Asiatic trip of, 705.
Lévis quarantine station, 1108.
Monk, Hon. F. D., death of, 3786.
National Transcontinental Railway, 4462.
Quebec terminals, 4845, 4852, 4974.
Naval service, 432, 5161.
Oka postmistress, 3505.
Pilotage, 3629.
Post Office Act Amendment, 2380, 3222, 5033, 5071, 5360.
Post Office
Automobiles, 5130, 5146, 5262, 5361.
British magazines, postage on, 3227.
Eastern Townships, dismissals in, 3640, 5261.
Employees and salaries, 341, 2378, 3220.
Estimates, 341, 2364, 3572, 3632, 3638, 3843, 5129, 5249.
Franking privilege, 971, 3223.
Indecent publications, 3236.
Letter carriers on electric railways, 3217.
Letters, registration of, 3222.
Newspapers, rates on, 3234, 3244, 5033, 5071.
Parcel post, 215, 5250.
Railway mail clerks, 2380, 3239, 3572, 5360.
Returns, alleged incomplete, 3632, 5145.
Rural mail
Boxes, 5133.
Service, 2364, 3852, 5249, 5361.
Quebec
Battlefields Commission, 4113.
Quarantine station, 1108.
Returns, alleged incomplete, 2364.
Senate representation, 5299.
Transatlantic mail service, 589, 1645.
Truro post office, 1909.
Vincent, J. U., appointment of, 1429.
Voters' lists, 2373.

Pembroke armoury, 5193.

Penitentiary investigation. *See* **Kingston.**

Perley, Hon. G. H., trip to London of, 4631.

Perley, Hon. Geo. H. (Argenteuil)
Finance Department estimates, 722.
Loan companies, 970.

Perley, Hon. G. H.—Con.

Ottawa Improvement Commission, 1889.
Trust companies, 793.
Union Life Insurance Company, 723, 926.

Petroleum, export of. *See* Export Act Amendment Bill.

Pickled Fish. *See* Fish.

Pictou
Bank, 1696.
Mail carrier, 572.
Mail contracts, 1690, 1819, 1913.
Post offices, 1022.
Public building, 809.
Rural mail, 924, 1023.

Pig iron drawback. *See* Customs Act Amendment Bill.

Pilotage
Agent, 1219.
Montreal, 1117.
St. Lawrence river, 815, 984, 3621.
See Canada Shipping Act Amendment Bill.

Pilots, superintendents of, 666.

Pioneer settlers, Lord Selkirk's, 3207.

Plainfield post office, 2016.

Plantaganet rural mails, 2840.

Point Fortune wharf, 3398.

Political partisanship, investigations into, 2262, 2308.

Pollution of Navigable Waters Bill. 1r., 4. 2r., 1750. Ref. to Select Com., 1751. *See also* 1740, 1910, 2013.

Port Arthur government elevator, 809.

Port Colborne elevator, 2990.

Port Daniel lobster hatchery, 2519, 3318.

Port Hood public wharf, 355.

Port Maitland post office, 1913.

Portneuf
Lightkeeper, 1219, 3510.
County post offices, 1690.

Post Office Act Amendment Bill. Res., 2380. 1r., 2384. 2r., 3173. Com., 3222. 3r., 3249. Senate amendments, 5033, 5071, 5360, 5376.

Post Office
Automobiles, 3113, 5130, 5262.
Country post offices and libraries, 892.
English magazines, postage on, 2312.

Post Office.—Con.

Employees' Salaries. *See* Civil Service Act Amendment Bill.
Estimates, 341, 2364, 3571, 3632, 3638, 3840, 5129.
Letter carriers on electric cars, 3247.
Mail bag locks, 354, 473, 701.
Mail boxes, 2364.
Mail contracts cancelled, 703.
Rural mail service. *See that title.*
Salaries. *See* Civil Service Act Amendment Bill.
Savings banks interest, 5199.
Transatlantic mail service. *See that title.*

Potato embargo by United States, 744.

Potatoes, tariff on, 3044, 3059.

Poulsen wireless, 2687, 5246, 5249.

Power, Mr. William (West Quebec)
National Transcontinental Railway investigation, 2248.

Prescott county mails, 2962.

Press Conference, Imperial, 4961.

Prince Edward Island
Banks, 1781, 2543.
Freight rates, 308, 926, 1018.
Railway, 4483.
Representation, 123, 707, 849, 853, 859, 863, 5285, 5299, 5306, 5359.
Transportation, 399.
Winter service, 701, 757.

Printing and Stationery Department estimates, 724, 1774.

Printing Bureau building, 4370.

Prison reform, 4511, 4522.

Prisons and Reformatories Act Amendment Bill. 1r., 3397. 2r., 3466. Com., 3466. 3r., 3466.

Private Bill legislation, responsibility for, 994.

Private Bills discussed
Acadia Loan Corporation, 1416.
Alberta Central Railway Company, 1891.
Arnoldi, J., Patent of, 2948.
Atlin Railway Company, 2397.
Auto Wheels, Limited, patent of, 1668.
Barcelona Light and Power Company, 1911, 1981.
Boy Scouts Association, 4131. *See also* 5002.
Brazilian Light and Power Company, 1982.
British American Nickel Corporation, 1982.

Private Bills.—Con.

British Trust Company, 1416.
Burrard Tunnel and Bridge Company, 764.
Calgary and Edmonton Railway Company, 765, 795, 992.
Calgary and Fernie Railway Company, 1667.
Canadian Northern Ontario Railway Company 4470.
Canadian Northern Railway Company, 1760, 4470, 4670.
Canadian Pacific Railway Company, 769.
Catholic Mutual Benefit Association, 4474.
Central Ontario Railway, 1892.
Central Railway Company of Canada, 996.
Central Western Canada Railway Company, 767, 804.
Continental Fire Insurance Company of Canada, 1666.
Erie, London and Tillsonburg Railway Company, 995.
Esquimalt and Nanaimo Railway Company, 994.
Farnham and Granby Railway Company, 3505.
Fredericton and Grand Lake Coal and Railway Company, 3205.
Goldschmidt, R., patent of, 2918, 3205.
Grand Trunk and Canada Atlantic Railway Companies, 2922.
Grand Trunk Railway Company, 767.
Joliette and Lake Manuan Colonization Railway Company, 994.
Kettle Valley Railway Company, 1892.
Labrador, Quebec and Southern Railway Company, 2922, 2951, 4473.
Lachine, Jacques Cartier, and Maisonneuve Railway Company, 767.
Lake Erie and Northern Railway Company, 1188.
London and Lake Erie Railway Company, 1891.
London and Port Stanley Railway Company, 1416.
McClary Manufacturing Company, 1216.
Manitoba and Northwestern Railway Company, 1891.
Mortgage Corporation of Nova Scotia, 1416.
National Council of Women of Canada, 2948.
National Wood Distilling Company, patent of, 1668.
Norfolk and Elgin Railway Company, 1667.
Northern Territorial Railway Company, 2175.
North Shore Power, Railway, and Navigation Company, 4471.
Ottawa and Ungava Railway Company, 992.
Ottawa, Northern and Western Railway Company, 764.
Pacific, Peace River and Athabaska Railway Company, 992.

Private Bills—Con.

Pacific, Trans-Canada and Hudson Bay Railway Company, 2921, 2948.
Peace River Tramway and Navigation Company, 995.
Prince Edward and Hastings Railway Company, 2921, 2949.
Prudential Life of Canada, 2899, 3478, 3506.
Queen's University, 770.
Rainy River Radial Railway Company, 2950.
Rio de Janeiro and Sao Paulo Telephone Company, 1892.
Saskatchewan Central Railway Company, 2956.
Saskatoon and Hudson Bay Railway Company, 3827.
Les Soeurs de la Charité de l'Hopital Saint Antoine de Le Pas, 1669.
Sterling Trusts Corporation, 1417.
Thessalon and Northern Railway Company, 993.
Toronto, Niagara and Western Railway Company, 3199, 3270, 3476.
University of Emmanuel College, 2397.
Vineberg, Helen, divorce bill, 4670, 4880.
W. C. Edwards Company, 3474.
Western Dominion Railway Company, 3473.
West Ontario Pacific Railway Company, 769.
Willson, T. L., patent of, 2918.

Privilege, questions of
Aikins, Mr., 3892.
Armstrong, Mr. J. A. M., 3114.
Best, Mr., 3114.
Burnham, Mr., 3058.
Chisholm, Mr. W., 2085, 5955.
Crothers, Mr., 707.
Devlin, Mr., 1119.
Fisher, Mr., 3113.
Hughes, Mr. Sam., 2083.
Knowles, Mr., 3454.
Lachance, Mr., 1784.
Law, Mr., 343.
Lemieux, Mr., 704.
Lesperance, Mr., 126.
Macdonald, Mr., 3160.
Murphy, Mr., 257.
Pardee, Mr., 2084.
Rhodes, Mr., 3114.
Smith, Mr., 3114.
Sutherland, Mr., 3114.
Turriff, Mr., 2546.
Walker, Mr., 3114.
Wilson, Mr. C. A., 2016.

Privy Council, Judicial Committee of, appointment of Law Lords to, 1952.

Proportional Representation, 613, 619, 848, 856, 5285.

Proulx, Mr. Edmond (Prescott)
Canadian Northern Railway, 4053.
Capital punishment, 505.

Proulx, Mr. Edmond.—Con.

Carson, Sir Edward, alleged cablegram to, 2082, 2178.
Civil Service, 4446.
Farmers Bank, 4800.
French translators, 5274.
Hay contracts, 1020.
Healey, Mr., dismissal of, 5270.
Judges' salaries, 1939, 3881.
Marriage laws, 444.
Menace newspaper, 3056.
Militia
Automobiles, 813, 2081.
Canteens, 2437.
Employees, 813.
Estimates, 3415, 3419, 5269 (amdt).
Gift of horse, 814.
Private car repairs, 813.
Sham battle, 814.
Special train, 814.
Minister of Militia in Europe, 444.
Ministers' travelling expenses, 610.
Montreal Colonization Society, 472.
O'Brien, A. H., superannuation of, 1952.
Plantaganet rural mails, 2840.
Potts, A., payments to, 369.
Prescott county mails, 2962.
Printing and advertising, Government, 729.
Public buildings, rentals of, 1906.
Queenston Heights picnic, 441.
Royal Military College, 3207.
St. Antoine de Le Pas Sisters of Charity, 1669.
Selkirk's, Lord, pioneer settlers, 3207.
Senate representation, 5298.
Vancouver drill hall, 362, 892, 1021, 1117.
Vancouver Orange Lodge, Irish Home Rule resolution of, 2785.

Provincial members, employment of, 3510.

Prudential Life of Canada, 2898. *See also* Private Bills discussed.

Public Works Estimates
Buildings, 1533, 1875, 1893, 5218, 5231.
Dredging, 5224, 5236.
Harbours and rivers, 5214, 5231, 5233.
Salaries, etc., 342.
Slides and booms, 5231.
Telegraph lines, 2375, 5234-5245.

Pugsley, Hon. William (St. John city)
Asiatic trade, development of, 5036.
Atlantic mail service, 5050.
Canadian Northern Railway, 4028, 4042, 4058, 4216-4274, 4297-4331, 4391, 4639.
Civil Service superannuation, 5370.
Cost of living, 5376.
Dry docks subsidies, 4090.
Grand Trunk Pacific Railway, 4835.
Hampton public building site, 4189.
House of Commons representation, 5306.
Intercolonial Railway
Branch lines, 5112.
Estimates, 4864.

Pugsley, Hon. Wm.—Con.

Ocean Limited, 4630, 4888.
Militia, 5019.
National Transcontinental Railway, 4457, 4459, 4461, 4854, 5033, 5072 (amdt.), 5090.
Naturalization, 4823.
Pelee Island steamer service, 5039.
St. John
Dredging, 5224.
Railway and steamship service, 5050.
St. John Valley Railway bridges, 4023.
Senate representation, 5290, 5299, 5305.
Tariff, 4336.

Quebec (city)
Arsenal, 5028.
Battlefields Commission, 1783, 1784. *See also* National Battlefields at Quebec Bill.
Bridge, 4559, 4463, 5030, 5108.
Harbour Commission attorney, 1604, 2263.
Harbourmaster, 5029.
Harbour plant, 2788, 3055, 3398.
Land purchases, 1434.
Marine agency, 2996.
Quarantine officials, 354.
Union station, 1913.
Weights and Measures, assistant inspector of, 3318.

Quebec Harbour Commissioners Bill. Res., 3632. 1r., 3636. 2r., 3876. Com., 3876. 3r., 3895.

Quebec-Lévis mails, 2263.

Quebec (Province) Seigniories, 568.

Quebec and Saguenay Railway, 4022, 4053, 4557.

Queenston Heights picnic, 441.

Radium ores, 1692, 1814.

Railway Act Amendment Bills.
Armstrong, Mr. J. E. 1r., 1013.
Borden, Mr. Joint Com., 2947.
Demers, Mr. 1r., 610, 793.

Railway Commission, Dominion, 574, 2372, 2437, 4160.

Railway Employees House of Service Bill. 1r., 2175.

Railway Level Crossings Bill. Res., 3896. 1r., 3896. 2r., 3957. Com., 3957. 3r., 4023.

Railway Mail Clerks. *See* Civil Service Act (P.O.) Amendment Bill.

Railways
Charters, granting of, 2953.

Railways.—Con.

Crossings, level, 360, 3200, 3270, 4166. *See also* Railway Level Crossings Bill.
Government ownership of, 3974-3979, 4391-4413.
Land grants to, 5027.
Suburban trains, 1062.
See also names of railways.

Railways and Canals estimates, 438, 1956, 2963-2995, 4160-4167, 4939-4953, 5106-5129.
Ministerial statement, 1957.
Canals, 1957.
Government Railways, 1959.
Hudson Bay Railway, 1962.
National Transcontinental Railway, 1964.
Salaries, etc., 438.

Rainville, Mr. Joseph H. (Chambly and Verchères)
Address in reply to Governor General's Speech
Free wheat, 288.
Immigration, 291.
Agriculture, aid to, 292.
Highways improvement, 293.
Cold storage, 294.
Cost of living, 294.
Civil Service, 1384.

Ranching and Grazing Commission, 574, 2543.

Real estate advertisements. *See* Criminal Code Amendment Bill.

Reciprocity with the United States, 9, 117, 122, 297.

Records, Departmental, Commission, 4963.

Red Head harbour, 891.

Redistribution of representation. *See* House of Commons.

Reid, Hon. J. D. (Minister of Customs)
Alert, steamer, 343, 474.
Basic slag, 639.
Canals, 1957, 2963-2995, 4162, 5109.
Colpitts, G. A., case of, 452.
Customs estimates, 400, 413, 422-439, 963-969, 998-1011, 2374.
Government Railways claims, 1910, 2392.
House of Commons representation, 5307, 5360.
Hudson Bay Railway, 1962, 4464-4466, 4468, 4476.
Intercolonial Railway
Branch lines, 5119.
Estimates, 3178, 4165, 4860.
Killaim, A. E., retirement of, 1728.
Management, 3264.
Ocean Limited train, 4888.
Pension fund, 5362.

Reid, Hon. J. D.—Con.
Labrador, Quebec and Southern Railway Company, 2952.
National Transcontinental Railway
Eastern section, 5033.
Estimates, 4453-4462, 4968, 5106.
Ministerial statement, 1964.
Montreal, connection with, 5127.
Petroleum, export of, 971.
Prince Edward Island Railway, 1962, 4483.
Quebec bridge, 5108.
Railway level crossings, 3896, 3957, 4023, 4166.
Railways and Canals estimates, 438, 1957, 2963-2995, 4160-4167, 4939-4953, 5106.
Returns, alleged incomplete, 4959.
St. John Valley Railway, 3036.
Bridges, 3880, 3959, 4023.
St. Peter's canal, 2963, 2995, 4480.
Southampton Railway Company, 1469.
Toronto terminals, 3784.
Trent canal
Construction, 4163.
Investigation, 4991.
Welland canal, 2963, 2987.
Winnipeg terminals, 3454, 3558.

Reid Mr. Jas. (Restigouche)
Intercolonial Railway car charges, 352.

Reindeer herd, 4155.

Rhodes, Mr. Edgar N. (Cumberland)
Battlefields, preservation of, 4116.
Customs service, appointments to, 969.
Dismissals, 1007.
Fenian raid veterans, 4354.
Fort Cumberland, restoration of, 4183.
Government officials in politics, 435.
House of Commons representation, 5324, 5335.
Privilege, 3114.
Senate representation, 5304.

Richibucto life-saving crew, 668.

Richmond county public works, 571.

Richmond and Wolfe public buildings, 1694, 4294.

Reindeau, S., employment of, 1114.

Rigaud
Post office, 442, 3638, 4021.
Wharf, 442, 574.

Rimouski
Customs, 2015.
Engineers, 2079, 4021.
Harbour, 2079, 2310.
Insurance Company, 4713, 4807.
Land purchase, 1695.
Medical service, 2015.

Robb, Mr. James A. (Huntingdon)
Brome experimental dairy station, 1110.
Budget, 2639.
Agriculture, 2640.
Tariff, 2641.
Dairy products, 2643.
Dismissals, 432.
Explosives, manufacture of, 1810.
Grain Bill, 3584.
Horse breeding, 472.
Live stock purchases, 470.
Naval service, 5164.
Norton creek, 5028.
Transportation, 2987.
Valleyfield
Dredging, 2992.
Wharf, 5234.

Robidoux, Mr. Ferdinand J. (Kent, N.B.)
Fisheries advisory board, 2413.

Robitaille postmaster, 3058.

Roche, Hon. W. J. (Minister of the Interior)
Alpine Club of Canada, 4155.
Astronomical surveys, 4155.
Buffalo herd, 4155.
Campbell, Glen, charges against, 624, 1857.
Dominion Lands Act Amendment, 3249, 3335-3360, 3511.
Dominion Lands and Parks, 1836-1870, 2372, 4151.
Orders in Council approved, 4713.
Forest reserves, 3512, 3554, 4151.
Government officials in politics, 624, 1836.
Immigration
Agencies, 1628.
Asiatic, 1253, 4214.
Bulgarian, 4560.
Chinese, 5212.
Estimates, 1612-1644, 4155, 5210.
Hindu, 4524, 4557, 4564, 4954 5212.
Homestead entries by continental immigrants, 1625, 4158.
Inspection, 1441.
Italian, 1634.
Maritime provinces, to, 5211.
Results of policy, 1612, 1625.
Russian, 4560.
United States, 1625.
Indian Act Amendment, 1817, 2395, 3481, 3532, 4830.
Indians
British Columbia, 2477, 5209.
Generally, 422, 2480.
Northwest Provinces and Territories, 2478, 5209.
Nova Scotia, 2474-2477, 5209.
Ontario and Quebec, 2472-2474.
Interior Department estimates, 338, 1836, 2363, 2372, 4151.
Irrigation, 3599, 4153.
Lands unpatented, taxation of, 1920.
Natural resources, provincial control of, 1079.
Petroleum rights, 975.
Reindeer herd, 4155.

Roche, Hon. W. J.—Con.

St. Peter's Indian reserve, 475.
Seed grain, 5210.
Volunteer bounty, 1396, 1611.
Water-power surveys, 4153.
Yukon, Government of, 1835.
Yukon Placer Mining Act, 3859, 3965.

Rocky Point wharf, 3113, 3318.

Rogers, Hon. Robt. (Minister of Public Works)
Brantford public building, 872.
Canadian Northern Railway, 4416, 4550.
Canning public building, 5226.
Carslake Hotel property, 4023.
Dry Docks subsidy, 3961, 4090.
Ewart, D., chief architect, 5230.
Georgian Bay canal, 1050, 1733.
Government officials in politics, 628, 741, 1846.
Grand Trunk Pacific Railway mechanics' strike, 5034.
House of Commons representation, 5230.
National Transcontinental Railway, 5078.
Public Works estimates
Buildings, 1533, 1875, 1893, 4182-4207, 5218-5231.
Dredging, 5224, 5236.
Harbours and rivers, 4207-4213, 5214, 5231, 5233.
Miscellaneous, 5230.
Salaries, etc., 342.
Slides and booms, 5231.
Telegraph lines, 2375, 5234-5245.

Ross, Mr. Duncan C. (West Middlesex)
Canadian Northern Railway, 4370.
Farmers Bank, 3527, 4921.
Muncey Indians, 2475.
Shipbuilding in Canada, 418.

Ross rifle, 513.

Rosthern
Customs collector, 573, 997.
Lands agent, 573.

Roy, J. N., employment of, 698.

Royal assent, 2376, 2383, 4292 4321.

Royal Military College, 3207, 5015.

Royal Society of Canada, 350, 5267.

Rural mail service, 376, 5132, 5245, 5361.

Ste. Anne de la Pocatière
Experimental station, 360.
Wharf, 2078.

Ste. Anne des Monts wharf, 2687.

Ste. Anne de Restigouche dredging, 3112.

St. Armand mails, 3208.

Ste. Brigide mails, 893.

St. Casimir post office, 360, 667.

St. David de Lévis postmaster, 4369.

St. Esprit lightkeeper, 473.

St. Hyacinthe mails, 2014.

St. Jerome wharf, 3113.

St. John, N.B.
Custom house, 1330.
Harbour, 1331, 1693, 4090-4112.
Marine employees, 1913.

St. John and Quebec Railway, 2546, 2789, 2997.

St. John and Quebec Railway Bridges Bill.
Res., 3880. 1r., 3886. 2r., 3959. Com., 3959, 4023. 3r., 4090.

St. Johns and Iberville
Bridge, 2689.
Rural mail, 366.

St. Johns and Iberville rural mail, 366.

St. Johns, Que.
Customs collector, 893.
Inland Revenue collector, 1021.

St. Joseph de Sorel
Post office, 572.
Trempe, L. E., employment of, 1434, 1695.

St. Lawrence
Accidents, 3253, 3398, 3622. *See also* Empress of Ireland.
Dams, 3317.
Ice breakers, 987.
Rates, 976, 982.
Ship channel 976-991.
Tug boilers, 1361.

St. Leonards immigration agent, 569.

Ste. Perpetue food inspector, 359.

St. Peter's
Canal, 1020, 2903, 2963, 2995, 4480.
Indian Reserve, 354, 475, 571, 891.

St. Roch des Aulnaies excise officer, 360.

St. Romuald post office, 809, 4021.

St. Theodore D'Acton rural mail, 700.

Sackville public wharf, 568.

Safety of Life at Sea Convention, 358, 787.

San Francisco Exposition. *See* Exhibitions.

Sault Ste. Marie mails, 2014.

Scales inspection, 1419.

Schaffner, Mr. F. L. (Souris)
Address in reply to Governor General's Speech
Farmers' delegation, 106.
By-elections, 106.
Manitoba boundaries, 107.
Transportation, 107.
Agriculture, 109.
Cost of living, 110.
Naval defence, 111.
Dismissals, 1180.
Freight rates, 940.
Naturalization, 4534.
Natural resources, provincial control of, 1085.
Terminal elevators, 1657.

School lands, 3638.

Secretary of State's estimates, 724, 1760-1780.

Secret Commissions Bill, 4555, 4712.

Seed grain, distribution of, 369.

Seeds, inspection of. *See* Inspection and Sales Act Amendment Bill.

Séguin, Mr. Paul A. (L'Assomption)
Dorion, dredging at, 443.
House of Commons representation, 5318.
Hudson Bay Railway, 5030.
Joliette building, 1023.
L'Assomption wharf, 2263.
Soulanges canal, 2179, 2263.
Terrebonne postmaster, 1019.
Tobacco revenues, 2957.

Senate Employees Bill. 1r., 4711.

Senate reform, 1495, 5282.

Senate representation—Address to the King. Res., 5277. Com., 5290. Senate amdts., 5376, 5378.

Senate Representation Bills
Alberta. Res., 1498. 1r., 1498.
British Columbia. Res., 3513. 1r., 3516.
Manitoba. Res., 1483. 1r., 1497. *See also* 1911.
Saskatchewan. Res., 1498. 1r., 1498.

Sévigny, Mr. Albert (Dorchester)
Experimental farms, 1149.
National Transcontinental Railway
Investigation, 2218.
Payments to contractors, 1781.
Sillery lands, 1534.
Portneuf county post offices, 1690.
Quebec Battlefields Commission, 1783.
St. Johns Inland Revenue collector, 1378.

Sexsmith, Mr. John A. (East Peterborough)
Butter, manufacture of, 3166.
Lemieux, Hon. R., trips of, 698.
Trent canal, 4997.

Sharpe, Mr. Samuel (North Ontario)
Divorce bills, 4883.
Farmers Bank, 4764.
Fenian raid veterans, 3373.
National Transcontinental Railway investigation, 2202.
Ross rifle, 517.
Queen's University, 770.
Senate reform, 5284.
Trust companies, 2908.
Unemployment, 4157.

Sharpe, Mr. William H. (Lisgar)
Hudson Bay terminals, 688, 4464.

Shefford county rural mail, 363.

Shelburne
Fisheries, 349.
Fishery guardians, 2961.
Public works, 1330.

Shepherd, Mr. F. H. (Nanaimo)
Duncan's Station public building, 4203.
Explosives, regulation of, 3865.
Labour conditions on Vancouver Island, 539, 1283.

Sherbrooke (city)
Automobiles for officials, 2959, 5130, 5262.
Drill hall, 2959, 3111.
Leased buildings, 3317, 3894.
Militia quarters, 3422-3428.
Post office, 3509, 3715, 4368.

Sherbrooke (county)
Agriculture in, 5027.
Postal inspection, 2959, 3645.

Shigawake rural mails, 1692.

Shipping, registration of, 754. *See also* Canada Shipping Act Amendment Bill.

Shubenacadie-Deans mails, 1817.

Silk, tariff on, 3159.

Sinclair, Mr. John H. (Guysborough)
Address in reply to Governor General's Speech
Fishing industry, 142.
Naval defence, 145.
Highways improvement, 147.
Mail bag locks, 150.
Amherst armoury, 3714, 4293.
Armouries, 666, 2786. *See also* Amherst
Banque Internationale, 4712.
Boilers for tugs, 1361.
Budget, 2734.
Election issues, 2735.
Fishing industry, 2738.
Agricultural implements, 2739.
Fishing twine, 2740.
Expenditures, 2741.
Canada shipping, 90.

Sinclair, Mr. John H.—Con

Canning public building, 5224.
Canso letter boxes, 703.
Cattle inspection, 759.
Civil Service, appointments to, 1192.
Coal contracts for Government dredges, 923.
Coasting privileges, 90, 754, 2435, 2915. *See also* Shipping.
Cobequid, wreck of, 1167.
Cold storage, 700.
Cole Harbour wharf, 1693.
Cost of Living Commission, 2436.
Cranberry Island light, 1175, 1193.
Dean Settlement Railway, 3318.
Dismissals
Fish hatchery employees, 370.
Generally, 1192.
Laing, J. R., postmaster, 370.
Drill halls. *See* Armouries.
Duchemin, H. P., payments to, 353, 697, 779, 893, 926, 1111,
Electoral corruption, 344.
Esquimalt dock, 813, 1433.
Experimental farms, 1160.
Farmers Bank, 723, 4804, 4895, 4903 (amdt.) 4912.
Fenian raid veterans, 349, 440, 925, 1604, 2416, 2787, 2962, 3368, 3894, 4348.
Fish and fisheries
Advisory board, 2399, 2415.
Curing expert, 571.
Lobster fishing, 815, 5187.
Modus vivendi licenses, 1603.
Pickled fish, inspection of, 4437.
Reduction works, 1693, 2080.
Statistics, 1020, 1361, 2400, 5191.
Transportation, 376, 894, 1017, 1114-1215, 2401, 2937, 3412, 5070, 5184.
Twine, duty on, 344, 3153.
Violations of Act, 1603.
Fraser, J. McL., fishery officer, 5030.
Government railways claims, 2394.
Government steamers
Alert, 326, 343.
Canada, 3113.
Repairs to, 404, 1204, 1332, 2430.
Gunhilde, steam yacht, 2688.
Guysborough public wharf, 355.
House of Commons
Post office, 477.
Representation, 5350.
Hudson Bay Railway mileage, 364.
Indian Harbour Lakes postmaster, 3055.
Intercolonial Railway
Branch lines, 353.
Employees on Ferry Scotia, 1016.
Estimates, 3183, 4865.
Freight rates, 894, 921, 1017, 1021, 1434, 1690, 2016.
Guysborough branch, 4481.
Ice contracts, 364.
Management, 3305.
Point Tupper ferry, 894.
Refrigerator cars, 1360.

Sinclair, Mr. John H.—Con.

Standard rules, 1693.
Sunny Brae branch, 894.
Tonnage, 3110.
Labour strikes at Nanaimo, 345.
Larry's River harbourmaster, 2961.
Le Blanc, seaman, burial of, 667, 815, 5177.
Life-saving rewards, 420, 5176.
McPherson C., employment of, 2787.
Matches, white phosphorus, 1538.
Militia
Armouries. *See that title.*
Boot contract, 2591.
Generally, 4617.
Political demonstrations, 5010.
Training areas, 5020.
Montreal harbour, 3875.
Mounted police, 2544.
Naturalization, 4817.
Naval College, Halifax, 3208.
Navigation, schools of, 750.
New Harbour breakwater, 365.
Newspaper advertising, 2438.
Newspapers, postal rates on, 3245.
North Riverside postmaster, 2686, 3209. 3509, 3845, 4022.
Petawawa camp, 815.
Provincial subsidies, 344.
Prudential Life of Canada, 3479, 3506.
Railway mail clerks, 2382.
Railway subsidies, 355.
Red Head harbour, 891.
Returns, alleged incomplete, 4960, 5361.
Sand Point wharf, 5229.
Shellfish Commission, 667, 1361.
Shipping Act Amendment, 746.
Shipping
Insurance, 982.
Registry, 754.
Spanish Ship Bay wharf, 3055, 3111.
Steamer subsidies, 2935.
Steam trawling, 471.
Sunny Brae mails, 2309.
Tariff, 3153.
Trade agents, 319, 884.
United States fishermen, 1692.
Vancouver Harbour Commission, 2390.
Vancouver Island public works engineer, 3399.
Victoria rifle range, 3398.
Weights and measures inspection, 2591.

Skinner's Cove works, 809.

Slack, W. F., dismissal of, 921.

Slag. *See* Basic.

Smith, H. T., emploment of, 812.

Smith, Mr. Wm. (South Ontario)
Budget, 2698.
Free wheat, 2699.
Mixed farming, 2700.
Canadian Northern Railway, 3838.
Horse breeding, 3502.
Privilege, 3114.

Smuggling, alleged, 1782.

Sorel. *See* St. Joseph de Sorel.

Soulanges Canal, 2989, 2994.
Employees, 2179, 2263.

Souris rifle range, 1435, 1694, 1783, 4567.

South African hay contracts, 1020.

South America trade development association, 1693.

Southampton Railway Company, 1455, 3009.

South Bruce letter boxes, 353.

Southport fish hatchery, 3112.

Spanish Ship Bay wharf, 3055, 3111.

Speaker (Hon. T. S. Sproule), rulings and statements of. *See also* Parliamentary Procedure.
Adjournment motion on question of privilege, 4958.
Amendment increasing money grant ruled out, 3956.
Amendments, allegations of fact in, 4671.
Answer of minister must be accepted, 705.
Answers to questions
Discussion of, 871.
Lengthy, 1062.
Anticipating notice on Order Paper, 879.
Bills
Certain amendments irregular, 5034.
Divorce bills, right of Commons to hear evidence on, 4880.
On motion to refer back report, evidence not debatable, 4885.
Extraneous matter not debatable on third reading, 4903.
Limit of debate on second reading, 1130.
Must be read a second time before reference to select committee, 1750.
No debate on motion for first reading, 619.
On amendment, discussion must be limited to same, 4646.
On introduction, may be explained, but not debated, 3054.
On Senate amendments, general discussion not admissable, 4893.
Shipping bill to be introduced by resolution, 743.
Ex-member, statement affecting, not a question of privilege, 1119.
Extracts unread not to be reported, 2698.
Government business on Thursdays, 706.
House of Commons
Post Office, 3236.
Library and reading room, closing of, 4215.
Staff, appointments to, 94, 399, 2686, 4954, 5268, 5271.
Stationery, 1370.

Speaker, The.—Con.
Improper motives, imputation of, to Government unparliamentary, 2009.
Incorrect report not a question of privilege, 3455.
Jallet, N., widow of, 1067.
Newspaper articles, irregular to base charges on, 705.
Notices of motion must be taken in regular order, 1362.
Order in the House, 4370, 4411, 4415.
Orders of the Day, debatable questions inadmissable on, 477, 511, 4215.
Petition rejected, 2840.
Privilege, questions of, 343, 705, 1119, 2016, 2085, 3455.
Questions
Irregular, 2017, 2082, 2592.
Statements of fact in, 4561.
Without notice, 285, 475, 477, 511.
Quoting evidence not reported to House irregular, 1344.
Senate, the, to speak disrespectfully of, not allowable, 2596.
Substantive motions, closing of debate on, 464, 1368.
Supply, Committee of, without question put; interpretation of rule, 306, 512, 521, 522.
Unparliamentary expression: 'Boozarium,' 2084.
Voting, member abstaining from, 2021.

Steamship subsidies, 956, 2913, 2923. *See also* Post Office.

Steel. *See* Iron and Steel.

Steel barrels, manufacture of, 1534.

Steele, Mr. M. (South Perth)
Budget, 2743.
Prosperity of Canada, 2743.
Taxation, 2744.
Agricultural implements, 2745.
Free wheat, 2746.
Cost of living, 2750.
Milling industry, 2752.
Ocean freight rates, 2930.
Pollution of navigable waters, 1746.

Steffansson expedition. *See* Karluk.

Stevens, Mr. H. H. (Vancouver)
Alaska-Yukon Railway, 1433.
Budget, 2879.
Fiscal policies, 2881.
Free trade vs. protection, 2883.
Taxation, 2886.
Free wheat, 2889.
Burrard Tunnel and Bridge Company, 765.
Canadian Northern Railway, 4668.
Immigration, Asiatic, 1232, 2639, 5026.
Indian Act Amendment, 3547.
Labour conditions on Vancouver Island, 546.

Stevens, Mr. H. H.—Con.

Money Lenders Act Amendment, 201.
Naturalization, 4150.

Stewart, Mr. Thos. J. (West Hamilton)
Conferences, expenses of, 570.

Stone, tariff on, 3115. *See also* Brantford Public Building.

Strathcona, Lord, death of, 91, 165.

Strong, Heath, payments to, 1116.

Submarine bell floats, 668.

Subsidies
Mail and steamship, 2913, 2923.
Provincial, 344.
Railway, 355.

Sunny Brae mails, 2309.

Supply Bills
For $52,253,007.71. Res., 2378. 1r., 2r., com. and 3r., 2378.
For $127,831,037.86. Res., 1r., 2r., com. and 3r., 5271.
For details see titles of departments and subjects.

Supreme Court Act (appeals) Amendment Bill. 1r., 3251. 2r., 3462. Com., 3462. 3r., 3462.

Sussex public building, 1694.

Sutherland, Mr. Donald (South Oxford)
Budget, 2815.
Free wheat, 2816.
Agricultural implements, 2819.
Fiscal policies, 2821.
Experimental farms, 1105.
Farmers Bank, 4788, 4911.
Fenian raid veterans, 4362.
Grain Bill, 3575.
Privilege, question of, 3114.

Sydney as an ocean port, 4081.

Tadousac wharf, 2309.

Tariff (Customs) Bill. Res., 3037, 3058, 3114. 1r., 3160. 2r., 4335. Com., 4335. 3r., 4426, 4433.
Amendments proposed
Mr. Loggie, 3052; div., 3106.
Mr. A. K. Maclean, 4426.
See also Budget.

Tariff questions, 1358, 1511.

Tar sand deposits, 1811.

Tatamagouche and Brulé mails, 3208.

Tate, William, compensation to, 4967

Technical education, 355, 568, 3054, 4888, 5206.

Telephone system authorized, 804.

Telescope for observatory, 344.

Terminal elevators, 1646-1666, 3161, 3575-3587.

Terrebonne postmaster, 1019.

Thoburn, Mr. William (North Lanark)
Haultain, Chief Justice, judgment of, on Saskatchewan Companies Act, 1265.
Vineberg, Helen, divorce bill, 4671, 4881.

Thompson, Mr. Alfred (Yukon)
Budget, 2801.
Tariff, 2802.
Yukon, the, 2804.
Free wheat, 2804.
Free trade, 2807.
Government of the Yukon, 1833.
House of Commons rooms, 2080.
Mines Department estimates, 1811, 1814.
Radium-bearing ores, 1814.
Tar sand deposits, 1811.
Telegraph service, 5237.
Yukon Placer Mining Act, 3966.

Thomson, Mr. Levi (Qu'Appelle)
Address in reply to Governor General's Speech
Free wheat, 271.
Agricultural implement duties, 1560.
Budget, 2809.
Tariff Commission, 2809.
Free wheat, 2810.
Agricultural implements, 2814.
Butter, manufacture of, 3165.
Canadian Northern Railway, 4407.
Capital punishment, 499.
Farmers Bank, 4926.
Government officials in politics, 1839.
Naturalization, 4140.

Thorburn railway communication, 701.

Thornton, Mr. Chas. J. (Durham)
Cigarettes, prohibition of, 1476.

Three Rivers
Mails, 2014.
Military camp, 3509.
Post office, 2688.
Preventive officer, 473.
Public buildings, 569.

Tide Head salmon pound, 1692.

Tips Bill. *See* Secret Commissions.

Titles of Honour Bill. 1r., 4. M. for 2r., 479; negatived, 482.

Tobacco culture, 1147, 1373, 2958, 5200.

Tobin, Mr. Edmund W. (Richmond-Wolfe)
Bury drill hall, 2960.
Cookshire public building, 2960.
Denison, J. R., dismissal of, 3209, 3640, 5259.
Desmarais, A., dismissal of, 1389.
Disraeli wharf, 1435.
Girard, Mr., employment of, 4559.
Land grants, 1916.
Megantic public building, 2960.
Post Office estimates, 3633, 3640.
Richmond and Wolfe
Experimental farm, 1534, 1694, 2015.
Public buildings, 1694, 4294.
St. George's Club, Sherbrooke, 3425.
Weedon public building, 5214.

Tobique Indian reserve, 816, 1218, 1359, 1535, 1915, 2590, 3534.

Toronto Harbour Commissioners. *See* Toronto Terminals Bill.

Toronto harbour works, 812.

Toronto Terminals Bill. 1r., 3784. 2r., 3880. Com., 3880. 3r., 3880.

Townsend, N. T., resignation of, 2436.

Trade, balance of, adjustment of, 2016.

Trade and Commerce
Bulletins, 474.
Department estimates, 315, 881, 927, 2376, 2913, 2923.

Transatlantic mail service, 94, 376, 577, 1645, 2915, 3226, 5030, 5043.

Transportation, 2971-2986, 3871-3880, 4090-4112, 5082-5106. *See also* Ocean.

Travelling expenses of ministers, 610.

Trawling, steam, 471.

Trent Canal
Construction, 1958, 4163, 5109.
Investigation, 1817, 4940-4947, 4975-4997.
Water-powers, 2177, 2789, 4162.

Trent Valley Woollen Manufacturing Company, 2177.

Truax, Mr. R. E. (South Bruce)
Chesley post office, 664.
Customs undervaluation, 3318.

Trust Companies Bill. 1r., 793. 2r., 1125. Com., 2903. 3r., 2963. Senate amdts, 4891.

Tubing, brass-covered, tariff on, 3152

Turgeon, Mr. Onesiphore (Gloucester)
Address in reply to Governor General's Speech
Redistribution of representation, 112.
National Transcontinental Railway, 115.

Turgeon, Mr. O.—Con.
Highways improvements, 116.
Reciprocity, 117.
Naval defence, 120.
Bathurst harbour, 348, 4212.
Budget, 2690.
Militia expenditures, 2691.
Free trade, 2693.
Agricultural implements, 2694.
Steel industry, 2697.
Dismissals, 430, 785, 1181.
Fishing disaster: proposed Government aid, 5194.
Fishing industry, 2402, 2415.
Government officials in politics, 348.
House of Commons representation, 862.
Intercolonial Railway
Aird, Wm., employment of, 895.
Canadian Pacific Railway traffic agreement, 605.
King, Samuel, employment of, 895.
Management, 3309.
Moncton property purchase, 2786.
Williams, T., employment of, 895.
Library of Parliament, 1780.
National Transcontinental Railway investigation, 2164.
Navigation, schools of, 752.
Quebec bridge, 4559.
St. John Valley Railway, 3034.
Senate representation, 5295.
Steel industry, 1532, 3034.

Turriff, Mr. John G. (Assiniboia)
Agricultural implements, Customs valuation of, 2958.
Budget, 2510.
Trade conditions, 2510.
Wheat markets, 2512.
Agricultural implements, 2516, 2520.
Cut stone duty, 2525.
Reciprocity with the United States, 2526.
Freight rates, 2528.
Privilege, 2546.
Stone, dressed, tariff on, 3119, 3124.
Trust companies, 2904.

20th Battery, 1361, 2263.

Twine, tariff on, 3157.

Typhoid. *See* Pollution of navigable waters.

Ulster. *See* Home Rule.

Union Life Insurance Company, 723, 926, 2374.

Valcartier artillery camp, 924.

Valleyfield
Dam, 2992.
Dredging, 2992.
Excise revenues, 2958.
Wharf, 5234.

Vancouver
Drill hall, 362, 892, 1021, 1117.
Orange Lodge Home Rule resolution, 2785.
Rented buildings, 2957.

Vancouver Harbour Commissioners Bill. 1r., 2175. 2r., 2388. Com., 2388. 3r., 2392.

Vancouver Island
Colliery strke. *See* Labour.
Engineer, 3399.

Vaudreuil wharfs, 574.

Verville, Mr. Alphonse (Maisonneuve)
Address in reply to Governor General's Speech
Cost of living, 249.
Unemployment, 249.
Canadian Northern Railway, 3981.
Capital punishment, 508.
Chambly canal, 4558.
Civil Service, 4444.
Criminal Code amendment (firearms and detectaphone), 467.
Dismissals, 1375.
Employment bureaus, 1818.
Industrial Disputes Act, 1022.
Great West Saddlery Company and labour, 4594.
Iron workers and fair wages, 1115.
Labour
Department and Minister, 649.
Fair wage officers, 5202, 3709.
Hours on public works, 4.
Importation of workmen, 357.
Montreal harbour, on, 5203.
Wages on public works, 357.
Lachine canal, 1782, 1913.
Militia, 4594.
Montreal
Pilots, 1117.
Public works staff, 1435, 5241.
Resident engineer, 1117, 2439.
Rules of the House, 706.
Smith, H. T., employment of, 812.
South America Trade Association, 1693.
Technical education, 5206.
Unemployment, 249, 1617.
Vancouver Island strike, 572, 1267.

Victoria county, N.S., Government telegraph service, 1359.

Victoria Day, 1916.

Victoria Memorial Museum, 1882.

Victoria
Naval volunteers, 1914.
Rifle range, 3398.

Vincent, J. U., appointment of, 340, 1406, 1427.

Volunteer Bounty Bills
Mr. Sam. Hughes: Res., 3363. 1r., 3396. 2r., 4339. Com., 4339. 3r., 4367.
Mr. Roche: Res., 1396. 1r., 1400. 2r., 1611. Com., 1611. 3r., 1611.

Walker, Mr. Henry J. (East Northumberland, Ont.)
Privilege, 3114.

Wallace, Mr. Thomas G. (Centre York)
Victoria Day, 1916.

Warnock, Mr. David (Macleod)
Address in reply to Governor General's Speech
Free wheat, 301.
Aid to agriculture, 303.
Animals, health of, 3177.
Budget, 2701.
Grazing leases, 2702.
Cattle quarantine, 2704.
Agricultural implements, 2706.
Steel duties, 2708.
Mixed farming, 2709.
Forest reserves, 3557.
Grazing areas, 4152.
Horse breeding, 3495.
Western Dominion Railway, 3473.

Water powers, 3323, 4153. *See also* Trent Canal.

Waterways. *See* International.

Watrous postmaster, 3715.

Webster, Mr. John (Brockville)
Budget, 2668.
Dairying industry, 2670.
Reciprocity, 2672.
Butter, manufacture of, 3164.

Weedon public building, 5214.

Weichel, Mr. William G. (North Waterloo)
Budget, 2709.
Wire fencing, 2710.
Trade of Germany, 2711.
Agricultural implements, 2714.
Free food, 2716.
Canadian Peace Centenary Association, 970.
San Francisco exposition, 3254.

Weights and Measures Act Amendment Bill. 1r., 1359. 2r., 1753. Com., 1753. 3r., 1756.

Weights and Measures, inspection of, 2591.

Welland canal, 925, 2963, 5108.

West Branch mail service, 924.

West Indies
Cable, 955.
Steamship service, 439, 956.
Trade, 882, 927, 2015.
Trade commissioner, 440.

Westmorland harbours, 443.

Wharfs, revenue from, 368.

Wheat. *See* Free Wheat.

White, Mr. Gerald V. (North Renfrew)
Eganville post office, 5222.
Georgian Bay canal, 1055, 2983.
Petawawa camp, 3448.
Railway mail clerks, 3241.

White, Hon. W. T. (Minister of Finance)
Address in reply to Governor General's Speech
Naval defence, 61, 79.
Financial conditions, 62.
Cost of living, 69, 79.
Tariff, 74, 77.
Aid to agriculture, 76.
Agricultural implements, tariff on, 3140.
Bank rates of interest, 5199.
Bounties, 2464. *See also* Pig Iron *and* Iron and steel industry.
British Trust Company, 1416.
Budget, 2440.
Revenue and expenditure, 2441.
Special subsidies to railways, 2443.
Loans maturing, 2444.
Net debt, 2446.
Financial conditions, 2446.
Trade conditions, 2447.
Immigration, 2450.
Tariff, 2451.
Wheat and flour, 2452.
Iron and steel, 2453.
Agricultural implements, 2459.
Caustic soda, 2463.
Brass, 2464.
Bounties, 2464.
Flax industry, 2464.
Surtax, 2465.
Canadian Government loan flotations, 5106.
Canadian Northern Railway, 1265, 3929, 4045, 4525, 4526.
Capital Planning Commission, 2373, 5196.
Civil Service, 4437, 4448, 4450.
Civil Service insurance, 1751, 1871.
Civil Service superannuation, 5365.
Correction of press report, 1433.
Farmers Bank, 3518, 4675, 4894, 4913.
Insurance Bill, 1688, 3199.
Iron and steel industry, 1524, 2453, 2464, 3160.
Loan companies, 1128, 4717.
Old age pensions, 1354.
Pig iron drawback, 3210, 3511.
Post Office saving banks, 5199.
Potatoes, tariff on, 3052, 3095.
Prudential Life of Canada, 3478, 3506.
Quebec Battlefields Commission, 3636, 3890.
Sterling Trusts Corporation, 1417.
Tariff, 74, 77, 2451, 3037, 3095, 3115-3147, 4335, 4426.
Trust companies, 1125, 4891.
Union Life Insurance Company, 2374.

White, Mr. William H. (Victoria, Alta.)
Agricultural implement duties, 1599.
Government officials in politics, 1837.
Homestead regulations, 3356.
Militia, 5010.

White slave traffic, 1632, 4523.

White Water lake, 1331.

Wilcox, Mr. Oliver J. (North Essex)
Budget, 2557.
Surpluses, 2558.
Protection, 2559.
Transportation, 2560.
Development of Canada, 2562.
Free trade and protection, 2566.
Rural mails, 2572.
Pledges redeemed, 2573.
Dismissals, 1002.
Dressed stone tariff, 3123.
Technical education, 568.

Wilson, Mr. Charles A. (Laval)
Archives Department, 1773.
Capital punishment, 503, 1731.
Dredging, Des Prairies and Rivière Jesus, 1731, 1735, 5234.
House of Commons representation, 5317.
Italian immigration, 1633.
Judges' salaries, 1939.
Orange Lodges and the French language, 2081.
Penitentiaries inquiry, 571.
Privilege, 2016.
Roy, Dr. J. N., mission of, 698.

Windsor
Fish hatchery, 1535.
Immigration office, 5028.

Winnipeg Joint Railway Terminals Bill. 1r., 3454. 2r., 3558. Com., 3558. 3r., 3621.

Winter, Lt.-Col., C. F., employment of, 2840.

Wireless Telegraphy, 349, 1207, 5183. *See also* Poulsen.

Wishart, A., commutation of sentence of, 4367.

Woodstock Dominion building coal supplies, 569.

Wrecking plants, 761.

Wright county post offices, 445.

Wright, Mr. William (Muskoka)
Canada Temperance Act, 1761.
Tariff, 3063.

Yarmouth
Harbour, 1015, 2309.
Live stock purchases, 665, 2308.
Rural mail, 570.

Yarmouth North post office, 816.

Young, Angus, customs officer, 669.

Yukon
Government of, 1833.
Judgeship, 4022.

Yukon Placer Mining Bill. 1r., 3859. 2r., 3965. Com., 3965. 3r., 3967.